

U.S. Introduces \$29-Billion Plan To Aid Third World

Compiled by Our Staff From Dispatches
SEOUL — The United States introduced Tuesday a \$29-billion plan to help poor countries cope with their crippling debt burdens.

The plan, which relies heavily on increased loans by private banks and urges developing countries to adopt market-oriented economic policies, was outlined by Treasury Secretary James A. Baker Jr. in a speech before the annual World Bank and International Monetary Fund conference that opened Tuesday.

The proposals, some of which had already been broadly known, drew subdued approval from bankers and officials of other governments, many of whom wondered how banks would be persuaded to come up with more financing for countries struggling to meet payments on existing loans.

The meeting also featured a surprise announcement by the World Bank's president, A.W. Clausen, that he would step down when his five-year term ends next June.

Mr. Baker's plan calls for commercial banks to increase their lending to poor nations by \$20 billion, or about 2.5 percent over present loans, over the next three years. Governments' development banks would increase their lending by roughly 50 percent, or \$9 billion, in the same period.

Mr. Baker also sought pledges for \$20 billion in fresh lending from commercial banks to about 15 middle-income countries over three years.

The meeting, attended by several thousand delegates from the World Bank-IMF's 149 member nations, was held amid very tight security, particularly when President Chun Doo Hwan of South Korea arrived to deliver opening remarks.

Mr. Baker said the plan he announced would work only if all three participants — the private and official banks and the developing countries — cooperated.

"There must be greater emphasis



A.W. Clausen, left, greeting President Chun Doo Hwan of South Korea in Seoul.

Clausen Announces He'll Step Down As World Bank President Next June

By Hobart Rowen
Washington Post Service
SEOUL — A.W. Clausen declared Tuesday that he will not continue as president of the World Bank after his five-year term expires next June.

The surprise announcement was made in a speech here at the annual meeting of the World Bank, formally the International Bank for Reconstruction and Development.

In the address, Mr. Clausen also said that the World Bank group "has the capacity" to deal with the complexities of Third World problems. He made some additions to a prepared text that was written in advance of the meeting and which had been leaked prematurely last weekend.

In the original speech, Mr. Clausen had said that the World Bank was in "robust health" and that it could expand its loans "while still adhering to the rigorous standards we have maintained for so many years."

He predicted that lending vol-

Slaying Reported On Hijacked Ship

Compiled by Our Staff From Dispatches
NICOSIA — The hijacked Italian cruise liner Achille Lauro was believed to be steaming toward Cyprus Tuesday night amid reports that at least one passenger had been executed by Palestinian commandos who seized the vessel off the coast of Egypt on Monday.

Regional monitoring of radio messages while the ship, carrying more than 400 passengers and crew, was lying off the Syrian port of Tartus indicated that one or two of the hostages, possibly Americans, may have been killed.

The hijackers are seeking freedom for 50 Palestinians held in Israel and have threatened to kill British and American hostages unless their demands were met.

Israel has refused to enter negotiations with the hijackers.

A U.S. Embassy spokesman in Damascus said that he was aware of the reports but he could not confirm them.

"We don't have a direct line from the ship, so we have no independent confirmation," he said. "We are getting our information from news reports. Before we could comment on any killings, if there were any, we would of course have to confirm it ourselves."

Western diplomats in Damascus said that the Syrian Foreign Ministry told Italian officials the hijackers claimed to have killed two Americans.

Radio stations in Israel and Lebanon also reported that the hijackers said they had killed at least one passenger and had threatened to kill 12 more.

Israel radio said later that the hijackers had killed two persons, one an American and the other of undisclosed nationality.

But Beirut port officials who were monitoring radio traffic quoted the captain of the Achille

'We Will Kill; We're Losing Patience'

CAIRO — Shipping sources in the region provided the following transcript of radio contacts between the ship and the Syrian town of Tartus (all times local):

2:32 P.M. Hijacker: "What about the negotiators?" (No reply.)

2:42 P.M. Hijacker: "Negotiators? We will start killing at 3:00 P.M."

2:58 P.M. Hijacker: "We cannot wait any longer. We will start killing."

3:23 P.M. Hijacker: "What are the developments, Tartus? We will kill the second. We are losing patience."

3:39 P.M. Tartus: "The ship is heading towards you for negotiations."

Hijackers: "We warn against further delay."

4:20 P.M. Tartus: "Please sail back to the position fixed for you."

Hijackers: "Why?"

Tartus: "That is all."



Position of the ship when it was reported hijacked.

Israel Bars Deal With Hijackers

By William Claiborne
Washington Post Service
JERUSALEM — The Israeli government said Tuesday night that it would not submit to demands by the hijackers of an Italian cruise ship in the Mediterranean to release 50 Palestinian prisoners, but would cooperate with any government to end the hostage crisis.

Israeli officials said that no demands by the hijackers had been received either directly or indirectly, and that as a result, there would be no official reaction by the government. But the officials reiterated what they said was Israel's longstanding policy of not submitting to terrorist demands despite the threat of loss of lives.

Meanwhile, the Reagan administration reacted with extreme caution Tuesday to the seizure by Palestinian guerrillas of the cruise ship Achille Lauro, which has a number of Americans aboard. The United States said only that it had contacted other interested governments to discuss what "appropriate action" might be taken to end the hijacking.

The ship's hijackers have demanded that Israel free the 50 Palestinian prisoners, including a member of a guerrilla squad that in 1979 raided a house in the northern Israeli town of Nahariya and killed four persons.

A source in the office of Prime Minister Shimon Peres of Israel, acknowledging the prisoner exchange last May in which 1,150 Palestinian detainees were released for three Israeli soldiers captured during the invasion of Lebanon, said Tuesday night, "Nobody is contemplating surrendering to any demands."

The official added, "OK, I'm not denying that there is a precedent. But Israel is distinguishing between that and our policy of not succumbing to terrorists' demands."

The June hijacking of a Trans World Airlines jetliner to Beirut and the subsequent release of 39 passengers was followed by Israel's release of Lebanese prisoners captured during the war in Lebanon and held in the Alit prison camp near Haifa.

After a brief meeting of the Israeli cabinet on Tuesday, Yossi Beilin, the cabinet secretary, said that Israel would not react officially to the hijacking until demands were received by the hijackers.

Mr. Beilin dismissed suggestions that Israel's decision might be influenced by deteriorating relations between Israel and Italy following the Israeli bombing last week of the Tunis headquarters of the Palestine Liberation Organization.

After the Tunis bombing raid, Prime Minister Bettino Craxi of Italy condemned Israel for continuing the conflict.

(Continued on Page 7, Col. 1)

66 Killed By Storm in Puerto Rico

Compiled by Our Staff From Dispatches
PONCE, Puerto Rico — Mudslides and floods caused by a major rainstorm killed at least 66 people and left entire towns isolated, officials reported Tuesday. Officials said the death toll could exceed 200.

The storm passed over the island on Monday, dumping as much as seven inches (18 centimeters) of rain in some places within a 10-hour period. Most major highways were flooded, dozens of bridges were washed out and telephone service was disrupted. Thousands of people were left homeless.

The weather system grew into a tropical storm designated Isabel as it moved north of Puerto Rico. The Bahamian government issued a storm watch for some islands.

Governor Rafael Hernandez Colon of Puerto Rico declared a state of emergency after touring the island by helicopter and visiting neighborhoods in Ponce, which is situated on Puerto Rico's southern coast.

Mr. Colon toured the Mayaguez shantytown, where a police spokesman estimated that at least 30 people died. Mayaguez is one of several communities of wood-and-tin shacks on the city's hillside.

Mr. Colon estimated that between 150 and 200 people were believed trapped in the rubble. "It is almost impossible that anybody is alive," he said.

Officials also said damages could run into the millions of dollars.

(AP, UPI)

Secret U.S. Aid to Managua Rebels Alleged

By Robert Parry
The Associated Press
WASHINGTON — Facing a congressional cutoff of military aid to Nicaraguan rebels early last year, President Ronald Reagan approved a secret plan to replace Central Intelligence Agency funds with assistance from American citizens and U.S. allies, according to current and former administration officials.

White House officials, these sources said, chose a retired U.S. Army major general, John K. Singlaub, as the chief fund-raising contact and advised him how to structure the campaign within the confines of neutrality and other laws that bar U.S. citizens from supporting foreign wars.

A White House spokesman, Edward Djerejian, refused to comment on Mr. Reagan's reported approval of the plan to go outside U.S. government channels to continue supplying the rebels fighting to overthrow Nicaragua's leftist government.

In the past, the White House has insisted that it "neither encourages nor discourages" the private fund-raising that sprung up after the CIA's mining of Nicaragua's harbors angered Congress, which refused to continue military aid to the rebels in the spring of 1984.

But government sources, including a senior administration official, described the White House's role in organizing and advising the aid network as much more extensive than has been acknowledged.

The aid network, particularly a recent surge of arms and money from allied countries, has allowed the rebels to continue military operations during the 15-month cutoff of direct U.S. aid.

One source, familiar with the program, said the "big three" countries that were expected to help the rebels were Israel, South Korea and Taiwan.

Representatives of those governments denied they have helped the rebels. Other U.S. sources said Israel ultimately agreed only to sell the rebels captured Palestine Liberation Organization weapons, and aid from South Korea and Taiwan came from private businessmen and an anti-Communist organization.

Three congressional committees are reviewing whether officials of the National Security Council, a White House agency, violated a ban imposed a year ago against "directly or indirectly" aiding the rebels militarily.

But officials said in interviews that the White House role in establishing the aid network had ended by Oct. 1, 1984, when that ban was enacted. Last July, Congress voted \$27 million in nonmilitary aid to the rebels but maintained the ban on U.S. military assistance.

The national security adviser, Robert C. McFarlane, has denied that his staff violated the ban, but has ignored a congressional request for documents on National Security Council contacts with the rebels.

As for White House actions prior to October 1984, Mr. McFarlane said: "We did not solicit funds or other support for military or paramilitary activities either from Americans or third parties."

Several sources said Mr. McFarlane's statement is technically correct because private Americans and "third parties" in allied countries "volunteered" help in supplying the rebels.

A source who was close to the program said the plan for accepting the offers was prepared by Lieutenant Colonel Oliver L. North, a deputy director for political-military



John K. Singlaub



Robert C. McFarlane



Samir al-Kountar, seated left, and Ahmad Assad Abrass, right, at their 1980 trial in Israel where they were convicted of murder. The Palestinian hijackers of an Italian cruise ship are demanding Mr. Kountar's release.

Hundreds of Palestinians Still Held in Israeli Jails

NEW YORK — Despite the release of 1,250 convicted Palestinian guerrillas and other prisoners by Israel in May as part of an exchange for three Israeli prisoners of war captured in Lebanon, hundreds of Palestinians remain in Israeli jails.

The Palestinians have been imprisoned for a variety of crimes. These include the murder of Jews, the planting of explosives in Jewish neighborhoods, stone throwing, advocating Palestine Liberation Organization causes, and membership in Palestinian guerrilla groups.

The Palestinians in Israeli jails are attached to every Palestinian guerrilla faction, including the el-Fatah grouping of the Palestine Liberation Organization, which is led by Yasser Arafat, and the Popular Front for the Liberation of Palestine and the Democratic Front for the Liberation of Palestine, both anti-Arafat groups.

Since the prisoner exchange and the increase in Palestinian attacks in Israel, the Israeli authorities have reinstituted administrative detention in the West Bank and Gaza Strip. Israeli authorities have rounded up more than 50 West Bank Palestinians on suspicion of involvement in guerrilla operations and are holding them for up to six months without trial.

Since the hijacking of a Trans World Airlines jetliner to Beirut in June, all the Palestinian guerrillas who had been rounded up in southern Lebanon and transferred to Israel, along with hundreds of Lebanese Shiite Muslims, have been freed.

Communists Losing Grip on Italian City Governments

By E.J. Dionne Jr.
New York Times Service
VENICE — On walls all over this city of canals, the Communist Party has slapped up angry manifestos next to the posters for a de Chirico show and a grappa convention. The posters denounce the new city government as weak and inadequate and promise that the Communists, as the largest party in town, will fight to restore good government to Venice.

The posters bespeak a quiet revolution that is taking place in cities and towns throughout Italy. The Communist Party, which prides itself on the way it runs local administrations in Italy, is being thrown out of city halls by new coalitions of Christian Democrats and Socialists, and, usually, the other three parties making up the national governing coalition of the Socialist prime minister, Bettino Craxi.

Michele Ventura, who oversees local politics for the Communist Party, has watched the mounting losses since May, with one provincial capital after another — there are 115 in all — moving from "red juntas," essentially coalitions of Communists and Socialists, to variants of the national five-party alliance, known as the "pentapartito."

Particularly daunting for the Communists are losses of power in big cities like Rome, Venice, Milan, Turin and possibly Genoa. Even Parma, in the northern Red belt around Bologna, was lost after nearly four decades of Communist leadership.

The city governments, which have substantial responsibilities in this decentralized country, have been a center of Communist power. They have also been important to the party's image. By proving that they could run effective local administrations — and they often did — the largest Communist Party in the West hoped to show itself capable of participating in the national government.

The shift is the product not just of local elections, but also of national political factors. Last May in most of Italy, voters elected local, provincial and regional administrations. In the city elections, the Communists dropped about 2.6 percentage points from their performance five years earlier.

The long-dominant Christian Democrats, although they also lost ground from 1980, outpolled the Communists, 33.7 percent to 28.3 percent. Mr. Craxi's Socialists came in third with 14.9 percent, a slight gain from 1980 and a significant one from other voting in 1983 and 1984.

But that was only the beginning. Over the summer, the parties began negotiating to put together local coalition governments, since in most major cities no party won a majority.

In some cases, the verdict of the voters was clear enough. In Rome, for example, the Communists lost five seats on the city council. The Christian Democrats picked up three, putting them ahead of the Commu-

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BUSINESS/FINANCE

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■ Fiat and Ford dropped plans to merge their European automaking operations. Page 11.

Tunisian Police Officer Fires on Crowd, Kills 3

United Press International
TUNIS — A police officer who "suddenly went crazy" fired wildly into a group of people Tuesday in a Jewish quarter on the island of Jerba, killing three persons and injuring at least 15, the official Tunisian news agency and diplomatic sources said.

The news agency, Tunis Afrique Presse, said, "A policeman who suddenly went crazy opened fire this morning at Jerba, hitting a number of Tunisian citizens, including some Jews."

Diplomatic sources in Tunis said two Jews and one Arab were killed and 15 persons were injured. Police shot and seriously wounded the officer, the press agency said.

The attack was similar to a shooting Saturday in which an Egyptian police officer fired at tourists in Sinai, killing seven Israelis. The Egyptian government has said that the officer apparently went berserk and fired randomly.

Police have been posted outside synagogues and in the principal Jewish communities of Tunis and Jerba since the Israeli raid Oct. 1 on the headquarters of the Palestine Liberation Organization near Tunis.

Twenty-two Tunisians and 50 Palestinians were killed in the air attack and about 100 persons were injured.

UN Agency Faces Deficit As Refugee Cases Mount

New York Times Service

GENEVA — The United Nations High Commissioner for Refugees has appealed for \$74 million to help his agency meet a severe budget deficit.

The commissioner, Poul Hartling, warned Monday that failure to secure the funds could limit refugee programs. Officials in his office said the financial crisis, which comes at a time when the agency's refugee case load appears to be expanding steadily, was the worst in the agency's 35-year history.

The commission has a \$319 million general budget and a \$107 million emergency budget for aid to African drought victims.

In an address to the commission's donors as they opened their annual meeting in Geneva, Mr. Hartling called for "large contributions" at a pledging conference scheduled Nov. 15 at the United Nations in New York so the commission could begin its 1986 programs on time in January.

If sufficient funds are not col-

lected, Mr. Hartling warned, housing and schools for refugees will not be built. Health care, basic education services and equipment would "be reduced to a minimum," he said, and administrative costs would be subject "to the most severe restrictions."

Since the agency was formed in 1950 to protect World War II refugees, the office of the UN High Commissioner for Refugees has had steady budget increases, to more than \$400 million in general and emergency assistance programs this year, Mr. Hartling has served as commissioner since 1978.

Mr. Hartling said the commission had raised \$262 million so far this year in voluntary contributions from its 73 members, or \$57 million less than budgeted for general programs. He said the agency needed \$17 million more for its emergency program for Africa, bringing the total shortage of funds to \$74 million.

Commission officials said the United States, which provides about 30 percent of the agency's annual budget, had pledged nearly \$18 million in additional funds, reducing the commission's original estimated deficit from \$92 million.

The officials put much of the blame for the shortage on an overvalued American dollar, which has driven down the value of donations in other Western currencies. They also cited the burden imposed on contributing nations by the African drought situation.

"The crisis is not a result of a lack of good will or sympathy towards refugees and their needs," Mr. Hartling said. "The needs of refugees are considerable — in Africa, Asia and Latin America — and I realize that the demands on donors this year have been massive."



Aboard the Greenpeace, Gerd Leipold, a crewman, read the warning delivered by a French Navy lieutenant, identified as Fourmy, center. At right is Jonathan Castle, the Greenpeace captain; second from right is Dorothee Piermont of West Germany.

French Officers Board Greenpeace, Warn Crew to Stay Clear of Test Site

Reuters

ABOARD THE FRENCH FRIGATE BALNY, South Pacific — French naval officers have boarded the Greenpeace flagship to politely warn the anti-nuclear protesters on board to stay away from France's test site at Mururoa Atoll.

The two sides had their first direct contact on Monday when four French officers crossed 200 yards (183 meters) of choppy sea from the frigate E.V. Henry in a dinghy to exchange pleasantries with the Greenpeace crew.

Another protest vessel, the yacht Breeze, was reported 60 miles (96 kilometers) northwest of Mururoa. A smaller yacht in the protest flotilla, the Alliance, was 400 miles west of the atoll.

Officers Deny Press Leaks

Four members of the French military charged

with leaking secrets about the sinking of the ecological vessel Rainbow Warrior by French agents have denied giving information to the press, their lawyers say, according to Reuters in Paris.

The lawyers, Ludovic Bourdieu, Bernard Gisserot and Francis Szpiner, stated Monday that the four had spoken only with each other about France's role in the sinking of the vessel in Auckland, New Zealand, July 10.

The statement said the four men suspected an "operation to destabilize French interests." It did not elaborate.

Colonel Joseph Fourrier, Captain Alain Borras, Captain Paul Barril and Adjutant Richard Guillet were charged Sept. 26 with disclosing defense information to unauthorized persons. A fifth man also was charged but was not named in the lawyers' statement.

Paris's Effort On Sakharov Was Futile, Relative Says

By Julian Nundy

PARIS — Mikhail S. Gorbachev refused to give President François Mitterrand information on the condition of Andrei D. Sakharov, the dissident nuclear physicist, during talks last week in Paris, the scientist's stepdaughter said.

Tatiana Yankelevich said Monday that officials at the Elysee Palace had told her that Mr. Mitterrand had informed the Soviet leader that France's interest in the Sakharov case was "very, very serious."

"They said Mitterrand insisted on information right now on Sakharov's whereabouts and condition, but only in the short term," she said. "In the longer term, he insisted that the case must be resolved satisfactorily."

Mrs. Yankelevich visited Paris from her Massachusetts home in the hope of obtaining news about the Sakharovs during Mr. Gorbachev's visit to France last week.

"Mitterrand spoke and Gorbachev was silent," Mrs. Yankelevich said, quoting the French officials. "He didn't say a word."

"The fact that there was no response is disturbing," Mrs. Yankelevich said. "If there was a shred of reason to believe that they were all right, Gorbachev might have said so. The silence could mean that either their condition is so poor that they don't risk speaking of it in positive terms or maybe Sakharov is dead or dying."

Prime Minister Laurent Fabius said last week that he had told Mr. Gorbachev of France's concern about several Soviet human rights cases. Jacques Chirac, the former prime minister and conservative opposition figure who is mayor of Paris, raised the issue in a speech during Mr. Gorbachev's visit.

The comments by French officials to Mrs. Yankelevich were the first confirmation that Mr. Mitterrand had pressed the point in private negotiations.

Mr. Sakharov, 64, a member of the elite Academy of Sciences who helped develop the Soviet hydrogen bomb, was exiled from Moscow in 1980 because of his human rights activities. He is reported to have a weak heart and to have had a stroke since he was exiled to Gorki, 250 miles (400 kilometers) east of Moscow.

Mr. Sakharov's wife, Yelena G. Bonner, has also been confined to Gorki.

Information about the couple has been sporadic and usually unreliable. Their relatives in the West have been campaigning for them to be allowed to emigrate but, so far, Soviet authorities have said that Mr. Sakharov's top-level scientific work made him a security risk.

Mrs. Yankelevich, Mrs. Bonner's daughter by her first marriage, said the last direct news that she had from Gorki came in a postcard from her mother dated July 4.

"Everything she said was in the singular, implying that she was alone," Mrs. Yankelevich said. "Before she would always stress the plural and end her cards with the words 'I embrace you, we embrace you.' This time she only said: 'I embrace you.'"

In July, the West German newspaper Bild obtained Soviet-edited television film, entitled in Russian "Where Has Sakharov Gone?" that showed Mr. Sakharov talking with a doctor in a hospital, then meeting with his wife as he left the hospital. A poster in the background gave the date as July 11.

At a news conference Friday in Paris, Mr. Gorbachev was asked how he intended to respond to French questions on human rights. He replied only that they would be passed to "competent authorities."

WORLD BRIEFS

U.S. Republicans Unveil Trade Bill

WASHINGTON (AP) — House Republicans introduced a 23-point trade bill on Tuesday that is intended to increase access to foreign markets for U.S. goods.

The measure would increase the power of the U.S. trade representative. Under its provisions, the representative could act on his own to impose retaliatory tariffs and quotas on imported goods.

The bill would also allow the president to negotiate through the trade representative for one year to sell Alaskan North Slope oil and natural gas to Japan, but such an agreement could be concluded "only in return for substantial concessions by Japan regarding imports." The sale of North Slope oil to Japan is presently banned by law.

Reagan Bars Cuba Officials From U.S.

WASHINGTON (AP) — President Ronald Reagan barred officials or employees of the Cuban government or the Cuban Communist Party on Tuesday from entering the United States, an action in response to Cuba's decision to suspend a 1984 immigration agreement.

The proclamation exempts party or government employees who are entering to conduct official business at the Cuban Interests Section in Washington or the Cuban Mission at the United Nations.

Cuban representatives will be allowed to visit the United Nations in New York if the U.S. State Department concludes the visit is required by the United Nations Headquarters Agreement.

Kidnappers in Beirut Free 2 Women

BEIRUT (AP) — Two British women who were kidnapped in West Beirut 13 days ago were released Tuesday. They appeared shaken, but apparently unharmed.

The women, Amanda McGrath, 28, a teacher at the American University of Beirut, and Hazel Moss, 45, the former manager of a Beirut restaurant, said they did not know the identity of their captors.

Still missing are a British journalist and 11 other Westerners, all men, kidnapped in West Beirut since March 1984. Six are Americans, four are French and one is Italian.

Soares Still Plans to Run for President

LISBON (Reuters) — The outgoing Portuguese prime minister, Mario Soares, said Tuesday he would still run for the presidency in January despite the Socialist Party's defeat in Sunday's general election by its former coalition partner, the Social Democratic Party.

Mr. Soares, speaking after meeting President Antonio Ramalho Eanes, said he would stay on as caretaker prime minister until Mr. Eanes named a new head of government. "I maintain my candidacy [for the presidency] and I will exercise my duties as prime minister until the end," he said.

He added that a request he had made to Mr. Eanes on Monday night to be relieved of his duties as prime minister was an attempt to smooth the transfer of power to the Social Democrats. The Social Democratic leader, Anibal Cavaco Silva, was due to meet Mr. Eanes later Tuesday to discuss the formation of a new government.



Mário Soares

Afghan Fighting Reportedly Is Heavy

ISLAMABAD, Pakistan (AP) — Soviet forces and Afghan rebels are involved in heavy fighting in eastern Afghanistan, Western diplomatic sources said Tuesday.

Armored columns and planes have been sighted leaving Kabul to join the offensive, which involves thousands of troops, said the sources, who spoke on condition they not be identified. They said thousands of Soviet and Afghan government troops, backed by armored units, jet fighters, bombers and helicopter gunships, were battling guerrillas in the Paghman and Wardak areas near Kabul and in Logar province to the south.

Guerrilla officials in the northern Pakistani city of Peshawar also reported heavy fighting in Logar. They said about 5,000 Soviet troops were trying to cut insurgent supply lines in the area.

Pact to Protect North Pacific Flights

TOKYO (AP) — Japan, the United States and the Soviet Union agreed Tuesday on measures to ensure the safety of commercial flights over the northern Pacific. The agreement was negotiated in order to prevent another disaster such as the shooting down of a Korean Air Lines plane that strayed off course in 1983 and was shot down by a Soviet fighter, killing 269 people aboard.

Under the agreement, the three countries will establish an "emergency communications line" to exchange information among the air control centers for civil aviation in Tokyo, Khabarovsk, in the Soviet Far East, and Anchorage, Alaska, according to a press release issued by the Foreign Ministry.

For the Record

U.S. and Soviet negotiators talked for more than five hours on Tuesday in Geneva in their longest meeting since the new arms talks began seven months ago.

The Soviet leader, Mikhail S. Gorbachev, and the Communist leaders of Moscow's six allies in the Warsaw Pact met in Sofia later this month, the Bulgarian news agency BTA said Tuesday.

Mexico City salvage workers trying to reach a 9-year-old boy buried under a building that collapsed in last month's earthquakes found the body of the child's 55-year-old grandfather Monday. The search continued for the boy, Luis Ramón Nafarrate, but virtually no one believed he was still alive.

The world chess champion, Anatoli Karpov, held to a steady draw Tuesday in game 13 of his title defense in Moscow against his challenger, Garry Kasparov. The two are tied at six and a half points each in the series.

Beijing Leaders Assail Revival of Prostitution

By John F. Burns

New York Times Service

BEIJING — More than 30 years after the Communist Party claimed to have eradicated prostitution in China, the revival of the practice is causing official high-level concern.

For more than a year, foreign visitors have noticed that young Chinese women work as prostitutes in and around the big-city hotels, particularly in the southern city of Guangzhou. But it is only recently that the practice has been publicly condemned by party leaders.

The issue has strong political connotations. The tens of thousands who worked as prostitutes in China before 1949 were regarded by the Communists as a symptom of the country's degradation, and their elimination was hailed as a symbol of the new, wholesome society ordained by Mao.

Some party leaders have seized upon the prostitutes' return as a fresh example of the dangers inherent in allowing the Western "money-grubbing" influence into the country.

For some months, the more conservative and doctrinaire party leaders have been citing corruption and pornography as examples of the "evil winds" to which China has been exposed by the "open door" policies of Deng Xiaoping, the country's paramount leader.

By adding prostitution to the list, those leaders may be seeking to put

Mr. Deng even more on the defensive.

Mr. Deng may have had prostitution in mind when he acknowledged last month at the party's national conference that his policies had been accompanied by the resurgence of "some evil things that had long been extinct after liberation," referring to the Communist victory in 1949.

The first public mention of prostitution came in a speech made at a meeting of the party's disciplinary commission by Chen Yun, a powerful conservative who sits with Mr. Deng on the Politburo's Standing Committee, the inner circle of power.

Mr. Chen, 80, previously had surprised the party conference with his strident criticism of economic and social aspects of the Deng policies.

Mr. Chen condemned corrupt officials and spoke of "some cadres' children," engaging in profiteering, an allusion to high-level leaders whose sons and daughters have used their influence to establish commercial enterprises.

"Even such ugly and evil acts as selling and showing pornography, videotapes and luring women into prostitution have appeared," he said.

In the 1950s, some women convicted of keeping brothels were sent to "re-education camps," where many of them died.

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THE ADVERTISEMENT THAT WAS PUBLISHED OCT. 3 ON PAGE 3 WAS PRINTED INCORRECTLY. THE CORRECT ITINERARY FOR 1985 IS AS FOLLOWS.

NOTICE

Seven senior American admissions officers from The Cleveland Colleges, Reed College, Earlham College, Sarah Lawrence College, Oberlin College, Hampshire College and St. Lawrence College cordially invite prospective applicants, their parents, and secondary school college advisors to meet with them at the following times and locations:

Paris - Oct. 15, 1985, 10:30-11:30 a.m.
Ecole Active Billings
115 Avenue Emile Zola, Paris, France.

Amsterdam - Oct. 16, 1985, 10:30-11:30 a.m.
Bijl Streekt
Koningplein 1, 1012 SZ Amsterdam, The Netherlands.

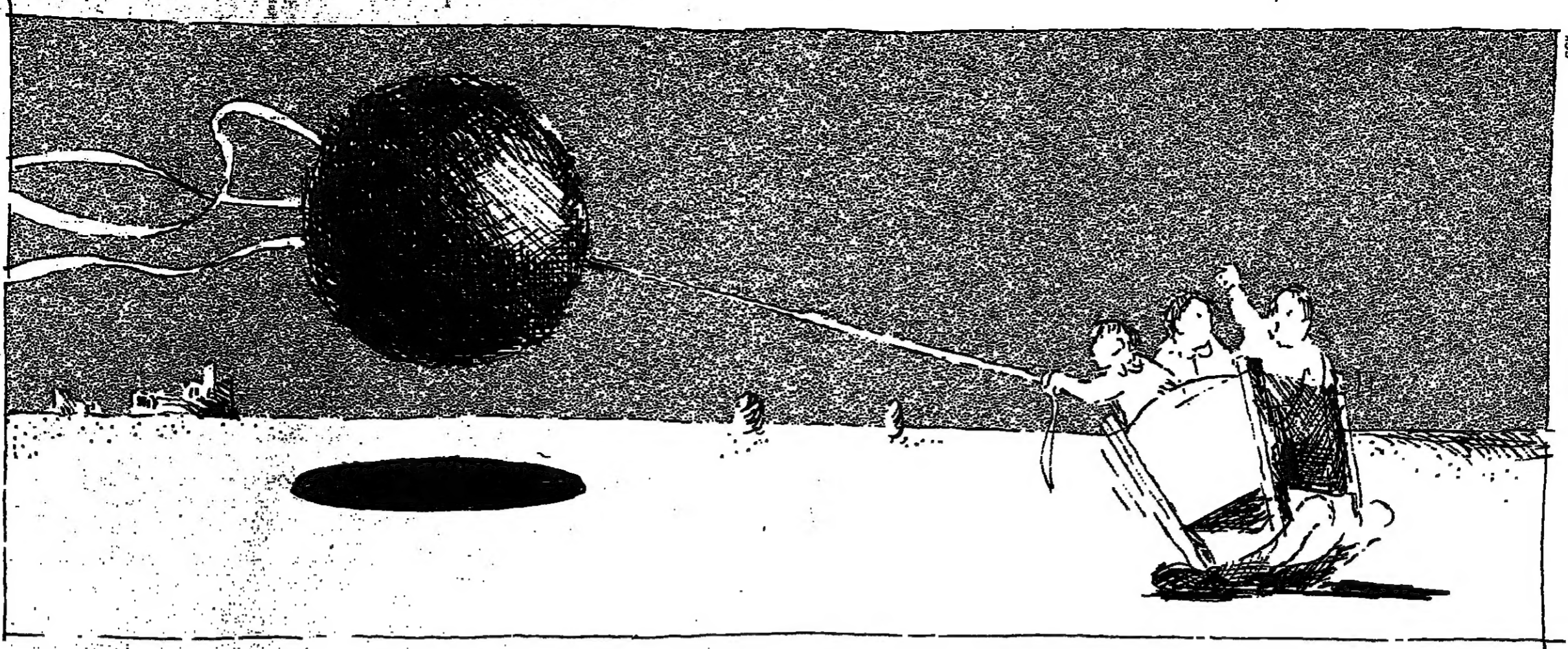
Brussels - Oct. 17, 1985, 7:30-8:30 p.m.
St. John's International School
Cours Richelle 144,
1410 Waterlooloo, Belgium.

London - Oct. 18, 1985, 10:30-11:30 a.m.
American School of London
2-8 Loundon Road, London NW6 6NP, England.

Stuttgart - Oct. 22, 1985, 1 p.m.
Alexander H. Petz American High School
Stuttgart, West Germany.

Geneva - Oct. 24, 1985, 7:30-8:30 p.m.
College of Lower International School
1200 Versoix-Geneva, Switzerland.

Luxembourg - Oct. 25, 1985, 11:30 a.m. - 1:30 p.m.
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AMERICAN TOPICS

1964 Test Forecast
U.S. Vietnam Failure

In the late summer of 1964, a few months before the United States began the sustained bombing of North Vietnam, senior officials of the State and Defense Departments, Joint Chiefs of Staff, Central Intelligence Agency and Information Agency ran a secret war game to project what would happen if the United States escalated the fighting.

That test predicted that North Vietnam would escalate right back, pouring more troops into the South and multiplying the difficulties of the United States and its Saigon allies. A larger study predicted mounting domestic opposition to U.S. escalation. All of that, of course, is what happened.

Robert H. Johnson, a former State Department official who headed a task force sifting the policy options before the United States moved irrevocably into the war, said in an article in the fall issue of Foreign Policy magazine that President Lyndon B. Johnson and his chief advisers ignored the war game findings. The writer said American policymakers "were not prepared to accept a negotiated solution that it was widely recognized, would

very likely lead to an early Communist takeover."

The war game study was conducted on orders from Walt W. Rostow, then chief of the State Department's policy planning council, who became President Johnson's national security adviser and a leading supporter of wider U.S. involvement in the war.

Short Takes

Judy Schwartz, 27, of Mountain View, California, and three companions survived 22 days adrift in the South Seas by eating Colgate toothpaste. Their disabled motorboat drifted ashore in Indonesia on Sept. 8. The makers of Colgate sent 600 tubes to Miss Schwartz to thank her for the publicity. But now that she is home, she has gone back to her usual brand of toothpaste, Crest.

Gary Lawyer, a divorce court referee in Colorado Springs, Colorado, has announced that in his courtroom "I do not allow cut-offs; Bermuda shorts, rock-concert sweat shirts, frayed, dirty jeans, undershirts or see-through body shirts—all of which I have seen in my courtroom." He warned in a letter to the local newspaper, "Dress for court as you would dress for church or a

nice restaurant." Otherwise, "you will be asked to leave and your case will not be heard." Judge Lawyer said he has sent half a dozen people home since January.

Angie Dickinson, 54, the durable actress, caught eating two heavy desserts at a recent Hollywood get-together, said she believes in dieting all right, "but I don't believe in giving up dessert." Asked how she keeps her willowy figure, Miss Dickinson said, "Oh, that's easy—grapefruit juice and young men."

Shorter Takes: New York subway car IRT-7657, the one in which Bernhard H. Goetz shot four teen-agers after one of them, he said, demanded money from him Dec. 22, 1984, is in a Bronx rail yard, waiting to be sold for scrap. Mr. Goetz, the "subway vigilante" is awaiting trial for attempted murder. ... The FDA Consumer, the magazine of the U.S. Food and Drug Administration, says that decomposition in shellfish is most readily detected "by organoleptic analysis." The article went on to explain that this means "by smelling the product."

—Compiled by
ARTHUR HIGBEE



FASHION FLING — Lady Marjory Wright, wife of Britain's ambassador to the United States, Sir Oliver Wright, modeled in a benefit for a Washington museum.

Midwest U.S. Cities
Revive Waterfronts

By John Holusha
New York Times Service

CLEVELAND — For a hundred years the people who ran this city seemed bent on increasing the distance between themselves and Lake Erie. Slag from steel mills was dumped into the lake, creating a dreary plain stretching from the downtown heights.

Now the city government and some influential private groups are working to reverse the process.

Next year, if current plans are followed, seven and a half acres (3.1 hectares) of land will be gouged out to create an inner harbor and park.

Cleveland is just one of a number of Middle Western cities looking to the waterfront to improve the quality of life and attract people and businesses back downtown.

According to a survey by the Center for the Great Lakes, a non-profit group that monitors commercial and environmental activities, 38 of 50 communities along the shoreline have waterfront projects under construction or in advanced planning stage. This does not include such places as Flint, Michigan, and Indianapolis, which are developing the rivers that flow through them.

Like projects in Baltimore and Boston, many in the Middle West are intended to recapture unused industrial property for public use and private development. Abandoned factories and warehouses, built when rivers and lakes were prime sources of transportation, are being pulled down or converted for residential and commercial use.

In Cleveland, where the Cuyahoga River attracted national attention in 1969 when it contained so much flammable pollution that it caught fire, trendy restaurants are opening along its banks and young people are turning abandoned warehouses into apartments.

"Cleveland is a microcosm of a nation that is going through an economic change of life," said George Voinovich, the city's mayor since 1980. "We are becoming a service organization, offering amenities like our orchestra, our museums and playhouses, medical facilities and ball teams that newer cities can never afford to match. Our waterfront development is an important part of our economic strategy."

The water is a lot more attractive after more than a decade of serious pollution-control effort.

"Twenty years ago Lake Erie was dying and the Cuyahoga was burning," said Donna Wise of the Center for the Great Lakes. "You couldn't do the kinds of things that are under way in Detroit and Cleveland now while the water was

unattractive. The \$7 billion spent over the past few years has been money well spent."

Federal dollars remain a key ingredient in most of the waterfront projects; for example, 54 percent of the \$103 million earmarked for the first phase of the North Coast project in Cleveland.

However, much of the impetus for some of the more notable waterfront transformations has come from business and industry. Ten years ago the section of Toledo along the Maumee River, which empties into Lake Erie, was a wasteland of weed-filled parking lots and abandoned factories.

Then the Owens-Illinois Corp. and the Toledo Trust Co. agreed to build new headquarters along the river, and these buildings became the core of a complex that now includes a hotel, a park and the Portside Festival Marketplace, a collection of shops and restaurants.

Milwaukee, like Cleveland, has both a lakefront and a riverfront.

"Milwaukeeans are passionate about their lakefront," said William Ryan Drew, the city development commissioner. "They want to keep it fun, public, accessible. Whenever commercial establishments, such as condominiums and hotels, have been proposed at the water's edge, the public, loud and clear, has said no." Instead, the lakefront has been developed into parks and marinas.

Attention is now shifting to the Milwaukee River and the development of a six-block river walk in the heart of downtown.

Residents of St. Louis were walled off from the Mississippi River by railroad tracks and superhighways. The tracks were removed in the early 1980s, spurring the development of Laclede's Landing north of the Gateway Arch containing offices, restaurants and shops.

Cincinnati has been developing its shoreline on the winding Ohio River for almost two decades, building a professional sports stadium, a luxury apartment building, acres of parks and a floodwall that is used for picnics by downtown office workers.

Most of Chicago's 22 miles of shore on Lake Michigan is parkland, a result of a turn-of-the-century decision, but a site in the city core where the Chicago River empties into Lake Michigan remains in private hands and there are ambitious development plans.

Even smaller cities are looking toward the water. Muskegon, with a population of 40,000 on Lake Michigan's western shoreline, began work this year on the first section of a \$42 million waterfront project known as Harbortown.

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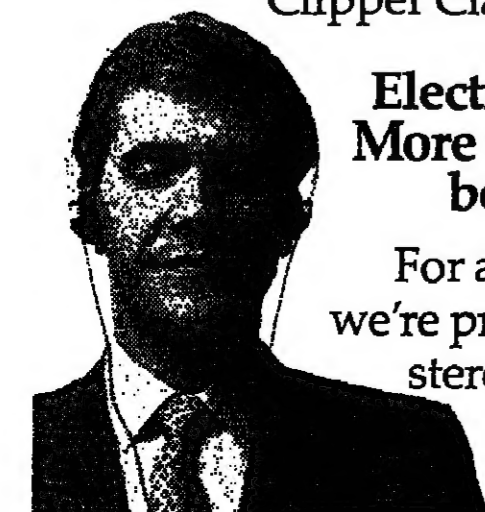
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After a Battle of Statistics, Belgians Vote Sunday to Decide: 'Am I Better Off Now?'

By Steven J. Dryden
International Herald Tribune

BRUSSELS — As Belgium goes into its national elections Sunday, unemployment is close to 14 percent, wages are lagging behind inflation and taxes are going up. Borrowing a slogan from an unlikely source, Ronald Reagan, the posters of the opposition Socialist Party ask, "Are you better off than you were four years ago?"

To which the billboards of Prime Minister Wilfried Martens reply: "No change in policies."

Mr. Martens is arguing for no change because his statistics show that, compared to four years ago, Belgium is on the path to economic recovery, despite the problems with unemployment, wages and taxes.

Unemployment is down from its peak of 15 percent and is expected to drop further, the government says. The rate

of consumer price inflation has fallen four percent and the Belgian franc is stable.

Most importantly, Mr. Martens says, the austerity measures imposed early in his latest four-year administration have restored the competitiveness of Belgian businesses, a necessity in an economy that is oriented to exports.

Before forming the present coalition government in December 1981, Mr. Martens had been prime minister in four governments in the preceding three years.

What the Belgian people think about this battle of numbers is difficult to gauge. Opinion polls are banned during the last month before the elections.

The last poll published, on Sept. 12, showed Mr. Martens's center-right coalition four seats short of the parliamentary majority necessary to form a new government. But the poll also revealed that more than a quarter of the

voters were undecided. All Belgians eligible to vote are required by law to do so.

Whether the campaign in recent weeks has helped to resolve their uncertainty is unclear. During their televised debate last week, Mr. Martens and Guy Spitaels, the leader of the French-speaking wing of the Socialist Party, picked over the finer points of economic policy.

A Martens aide later likened the encounter to a "debate of two university professors over statistics. It was inconceivable."

The elections may be decided, political analysts say, by the voters' judgment of Socialist promises to resume fully indexing wages to inflation and make other economic moves. The government has campaigned hard against these promises, arguing that such policies have even been dropped by the Socialists in France.

Many Belgians admit that following politics in their country can produce a kind of dizziness. In recent years formal divisions have grown between the French-speaking Wallonia region in the south, and the Flemish-speaking Flanders region to the north.

There are no national parties. Instead Socialist, Christian Democrat and Liberal political groups are represented by autonomous French and Flemish regional parties. That makes six, to which are added the small parties based purely on linguistic concerns, several parties that only operate in Brussels and two Green ecology parties, one for Flanders and one for Wallonia.

In the present campaign, according to the calculations of the Flemish newspaper De Standaard, there are 3,582 candidates contesting 318 parliamentary seats.

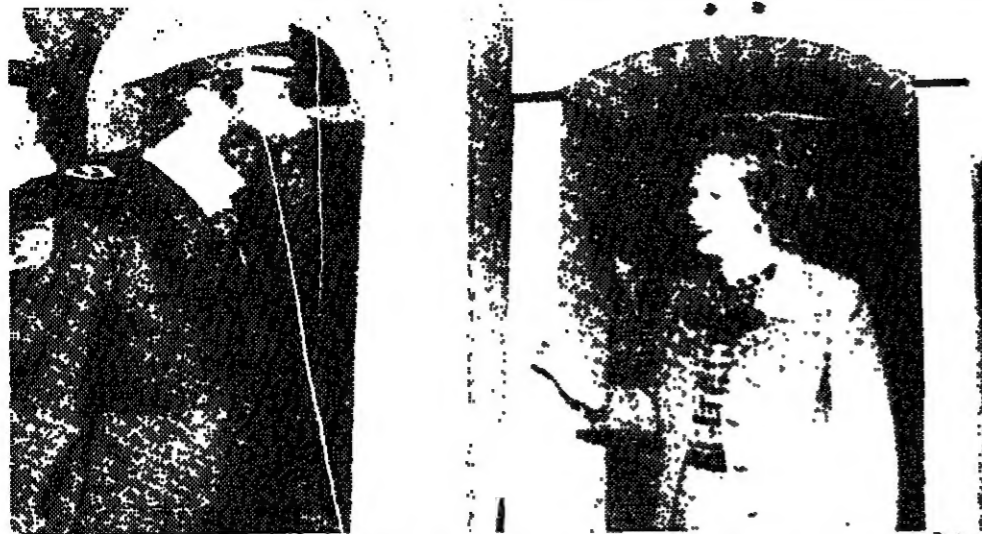
The fractionated political scene complicates the task of forming a government. Mr. Martens is hoping that his present four-party coalition of French and Flemish Chris-

tian Democrats, and French and Flemish Liberals, will be given a new parliamentary majority.

The newspapers have been full of predictions, however, that the country may be headed for an extended political stalemate if the Socialists make substantial gains.

Mr. Martens has said unequivocally that he will not govern in a coalition with the Flemish Socialists, because of their demands that North Atlantic Treaty Organization cruise nuclear missiles be withdrawn from Belgium, and what he calls their radical economic policies. His spokesman said that alignment with the French Socialists would be very difficult. The Flemish Liberals have also ruled out a government with the left.

It is unlikely that the French and Flemish Socialists will gain enough support to govern on their own, or with the small leftist parties, and the Flemish Socialists have rejected participation in a government.



Prime Minister Margaret Thatcher submits to a security check on arrival at the Imperial Hotel in Blackpool for the Conservative Party's conference. Security is tight because of the IRA bombing at last year's party conference, in which five persons were killed.

Tory Anger, Labor's Star Both Rise

BLACKPOOL, England — The annual conference of Prime Minister Margaret Thatcher's ruling Conservative Party opened Tuesday with a bitter attack on the opposition Labor Party by her new public relations chief, Norman Tebbit.

Mr. Tebbit, widely regarded as the eventual successor to Mrs. Thatcher as party leader, spent much of a half-hour speech denouncing the Labor Party as being controlled by leftist extremists.

The speech was clearly aimed at calming Conservatives after an opinion poll indicated that the Labor leader, Neil Kinnock, has for the first time replaced Mrs. Thatcher as the favorite party leader in Britain.

The weekend poll, which put Labor seven percentage points ahead of the Conservatives, reflected Mr. Kinnock's tough stand against his

party's own left wing at the Labor conference last week.

"What a vintage Labor Party conference that was," Mr. Tebbit said. "The sheer spite, the venom, the bile and the hatred of the Labor Party for each other, let alone us, was there displayed for all to see."

Mr. Tebbit, 54, a former trade minister who was appointed party chairman last month by Mrs. Thatcher, was emerging Tuesday as the key figure at the four-day meeting. He is to make another speech Wednesday.

The chairmanship returned him to the public light after his recovery from serious bomb injuries suffered a year ago at the 1984 conference. Irish Republican Army guerrillas had tried to kill Mrs. Thatcher and her top ministers.

Mr. Tebbit is charged with revamping the party's image as the polls suggested that Mrs. Thatcher, 60 next Sunday, is fading as the

Conservatives' main electoral asset.

He said of Mr. Kinnock's stand last week:

"The British people would never knowingly vote for an extreme left party. So it was pretty smart of Mr. Kinnock to condemn the extremists in his party."

But, Mr. Tebbit said, "one or even two brave speeches condemning the Trots [Trotskyists], militants and Marxists in the Labor Party doesn't get rid of them."

He described as opportunistic his party's other main electoral challenger, the centrist Liberal-Social Democratic Party Alliance.

Its two parties were split on issues such as nuclear weapons, he said. "There's scarcely an issue on which they don't have a disagreement — except their appetite for power."

The alliance now is rated at 30 to 35 percent in popularity in the opinion polls.

Bombs Hit Brussels, Paris Targets

United Press International

BRUSSELS — Bombs exploded early Tuesday in Brussels and Paris, slightly injuring one person in Paris but causing no injuries in Brussels, police said.

In Brussels, a car bomb went off in front of the headquarters of the gas and electricity company Sibelgaz, shattering the building's windows.

Leaflets left at the scene said the attack had been conducted by the Fighting Communist Cells, a group that has staged a number of bombings in Belgium against industrial and political offices as well as North Atlantic Treaty Organization installations.

In Paris, a bomb exploded outside the Casino de Paris, a theater. A passerby was hit by flying glass but did not require hospital treatment.

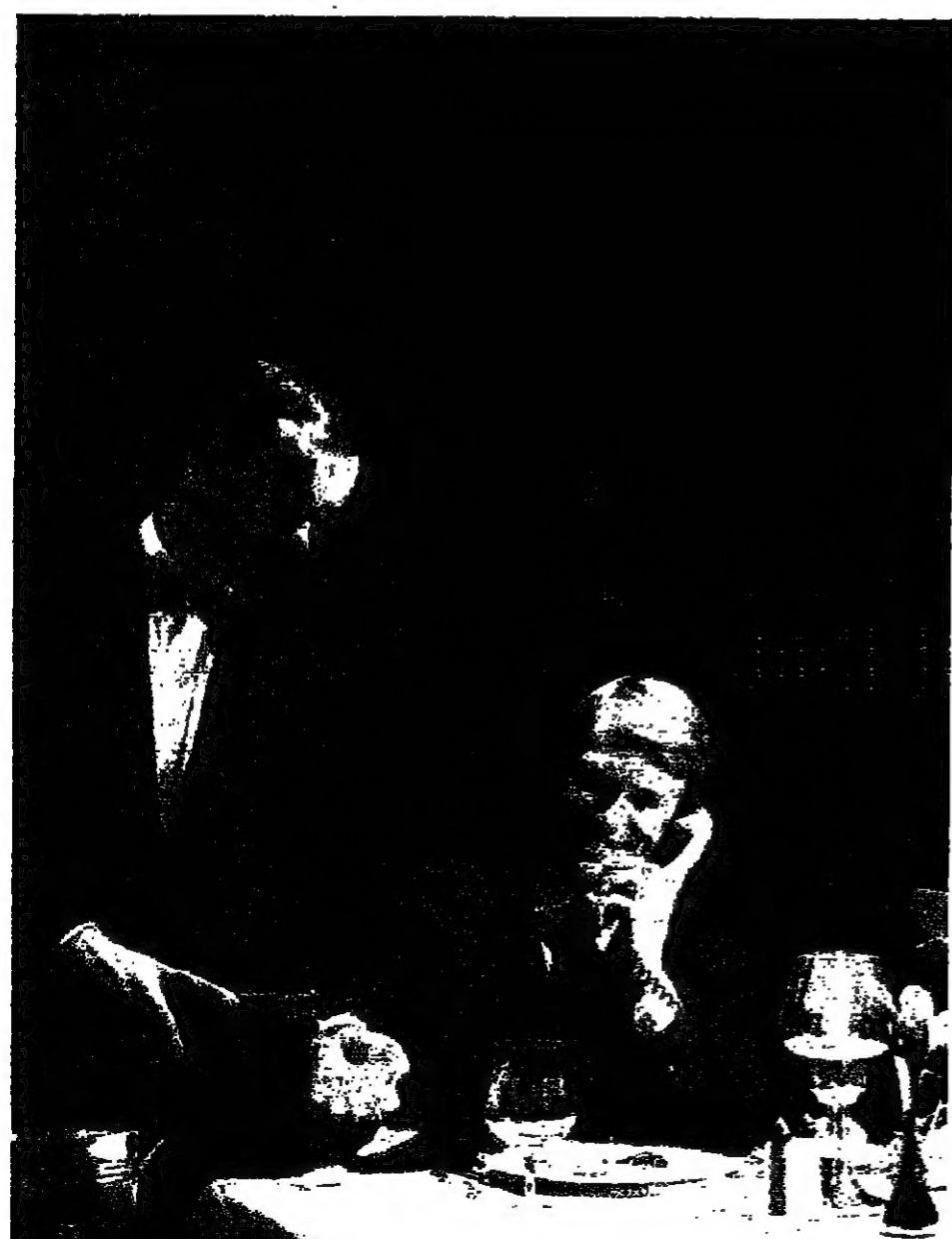
No one claimed responsibility for the Paris attack.

Police in Brussels said two guards saw a small van enter the Sibelgaz premises early Tuesday. A man jumped out and started throwing leaflets around.

He shouted at the guards: "Run. It is going to explode," and fled, police said.

The leaflets said the attack marked the first anniversary of Fighting Communist Cells' activity in Belgium. The group's first bombing took place last October.

Last May, two firemen were killed in the explosion of a car bomb left by the group at the headquarters of the Belgian Employers Federation, and in April, bombs damaged the offices of the NATO Assembly and of a West German electronics group. The Fighting Communist Cells claimed responsibility for both attacks.



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Israel Will Not Give In to Hijackers

(Continued from Page 1)

ducting "terrorist violence" and sent a message to Yasser Arafat, chairman of the PLO, offering condolences for the victims of the raid.

An Israeli official, briefing foreign correspondents following the hijacking, suggested Tuesday that Italy's tacit recognition of the PLO could become a factor in the hostage crisis.

"Italy recognizes them, and you can see in Craxi's warm, friendly and loving relation with Arafat," Mr. Bellin said.

He added, "Italy showed that it supports terrorism and it invited

additional acts that have ironically now hit them directly. It's an Italian ship. They have good relations with the PLO, and now they can get themselves out of it."

White House and State Department officials said the exact number of Americans among the roughly 410 hostages aboard the Achille Lauro was not yet known but that their best estimate was that perhaps a dozen were aboard.

Shooting Not Confirmed

David B. Ottaway and George C. Wilson of The Washington Post reported from Washington: U.S. officials said they had no

confirmation of reports that the guerrillas had shot one American hostage aboard the ship.

Most of the 70 to 80 American tourists who boarded the ship in Genoa had gotten off in Alexandria for a sightseeing tour of Cairo before the hijacking and were safe there, the officials said.

President Ronald Reagan and other top officials appeared to go out of their way not to inflame the situation. Both Larry Speakes, the White House spokesman, and Robert C. McFarlane, the national security adviser, declined to make any statements about what action the United States might take or to speak about the U.S. attitude in general toward the hijacking.

Earlier in the day, President Reagan, speaking during a picture-taking session with Prime Minister Lee Kuan Yew of Singapore, said he thought that the hijacking was "the most ridiculous thing."

White House and State Department officials stressed that there was no change in the U.S. policy of either negotiating with, or making concessions to, terrorists or pressuring other governments to do so.

Mr. Speakes did draw a distinction between the possibility of discussions with those who commanded the Italian liner, which he said was permissible, and negotiations.

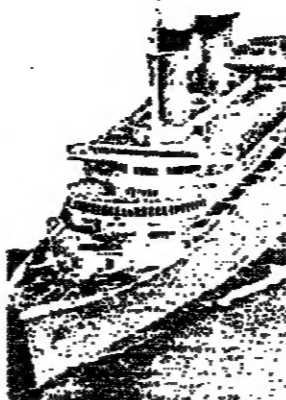
Ship Hijacking Is 3d Since 1961

Compiled by Our Staff From Dispatches

ANNAPOLIS, Maryland — The seizure on Monday of the Italian cruise liner Achille Lauro apparently marked the first time in 10 years that a commercial ship has been taken over, according to a U.S. Naval Academy reference librarian.

On Sept. 26, 1975, the Sushiro Maru, a Japanese freighter with 31 persons aboard, was seized by the Moro National Liberation Front, a Philippine rebel group. The front surrendered three days later.

In January 1961, the Portuguese liner Santa Maria, with 607 passengers and 360 crew members, was captured in the Caribbean by Portuguese and



The Achille Lauro

Spanish cruises in a bid to overthrow the Portuguese dictator, Antonio de Oliveira Salazar. (AP, UPI)

Slaying Is Reported on Hijacked Ship

(Continued from Page 1)

ship's owners as an Italian, Gerardo de Rosa.

According to a tape of a brief conversation monitored in Beirut, a man identifying himself as one of the hijackers said: "This is Omar, the hijacker of the Italian ship. ... I want you to convey this message. We will hit any ship, any plane that tries to approach us."

The hijacker broke off contact without saying whether any hostages had been killed.

The Voice of Lebanon radio said that the hijackers had threatened to blow up the vessel if any boats carrying armed men approached.

Beirut officials added that the ship was somewhere in international waters off Cyprus.

A party of Palestine Liberation Organization officials was sailing

from Alexandria, Egypt, to try to reach the Achille Lauro to negotiate an end to the hijacking, Palestinian sources in Cairo said.

Throughout Tuesday, activities on the ship were reported largely by radio operators who monitored radio transmissions. There was no indication that any other ships were sailing near the Achille Lauro or would attempt a rescue operation. Nor were there reports of unusual air activity to track the liner.

Syria contacted the ambassadors of Italy and the United States to relay a request from the hijackers that they serve as negotiators for the release of the hostages, diplomatic sources said.

A U.S. Embassy spokesman in Damascus said that he could neither confirm nor deny the report.

The number of Americans aboard was unclear.

Larry Speakes, the White House spokesman, said in Washington that there probably were about a dozen Americans, and "less than 20, for sure."

Sixty-seven American passengers had been aboard the ship but got off in Alexandria. The passengers, said that, by their count, 11 Americans still were on the ship.

Various sources reported that the remaining passengers included possibly six or seven British women among the ship's crew, two Israelis, perhaps four French, up to 30 West Germans and 26 Swiss.

Most of the rest of those aboard, mainly members of the 350-person crew, were believed to be Italian.

The hijackers identified themselves as members of the Palestine Liberation Front, a dissident group of the Palestine Liberation Organization.

A maritime radio transmission monitored in San Sebastian, Spain, said that the hijackers numbered 12, according to Trudy Hill. Ms. Hill said that she monitored a conversation between the captain of the hijacked ship and a warship from a nation she refused to reveal.

"There are 12 guerrillas on board, all of them young except for the leader of the group," she said. "They are very heavily armed. They came aboard from distant ports on the route of the Italian boat, pretending to be Dutch tourists."

(Reuters, AP, UPI)

Senators Discuss Deal on Debt Limit

WASHINGTON — Congress inched Tuesday toward a deal that would temporarily increase the federal debt limit and allow a vote on a bill to require a balanced federal budget by 1991.

A five-day filibuster by senators opposed to hasty passage of the budget amendment has brought the federal government to the limit of its ability to borrow and spend money. Senate leaders were bargaining on a plan that would allow a short-term extension of the debt

ceiling in return for a prompt vote this week on the budget measure.

Robert J. Dole, a Republican of Kansas, the Senate majority leader, said the Treasury Department had advised Congress "that they may be able to avoid default until tomorrow sometime."

Checks issued by the government through Tuesday can be cashed, but the administration has warned that continued delay could trigger a process under which the Federal Reserve system would tell banks not to honor government checks.

Nigeria Chief Is Firm on IMF Policy

Babangida Says He Will Respect People's Wishes on Loan

By Edward A. Gargan

LAGOS — The military leader of Nigeria has declared that he will not accept a \$2.4-billion loan from the International Monetary Fund if the Nigerian people oppose it.

Major General Ibrahim Babangida said Monday that Nigerians must expect "a lot of bad times, a lot of sacrifices" during the 15-month economic emergency he announced last week. Even more, he said, the country must brace for a sharp drop in the price of oil — virtually the only Nigerian export.

General Babangida predicted, however, that Nigeria would be self-sufficient in food within 12 months, a condition that has not prevailed here since the oil boom of the mid-1970s.

The 44-year-old general made his comments in an interview with three Western journalists at his headquarters at Dodan Barrack in central Lagos.

General Babangida said that he had told U.S. officials that he wished to improve relations with the United States, which he acknowledged have been strained in the last 28 months.

"We did indicate officially that we did want to get closer," he said. In addition, he said that the United States could play "an important role" in pressing Nigeria's creditors to be more flexible in coming negotiations.

Although he set no timetable for a return to civilian rule, General Babangida made it clear that he was intent on returning the military to the barracks. "We will announce a program that will lead to active participation in government by the civil population," he said.

He emphasized that his military government remained accountable to the people of Nigeria, particularly on the issue of the much-debated IMF loan agreement.

"Whatever decision we take, whether for or against, I maintain that it is going to be a decision based on what the Nigerian population wants," he said.

Shortly after seizing power on Aug. 27, the general said he would break the deadlock in the stalled, two-year-old negotiations with the IMF over terms for a multibillion-dollar loan. At that time, he called for the public to voice its views on the loan. The summons has brought forth a flood of opposition in the Nigerian press.

This tide of public protest has come from all spectrums of society, including labor and business, students and traditional tribal rulers. And despite a spate of recent newspaper advertisements urging acceptance of the loan, so far the mood of the country seems clearly opposed.

"If the country is determined to do without it, fine," General Babangida said. He said that negotiations on rescheduling the nation's short-term debts with commercial banks would begin soon.

Because Nigeria is so far behind in repaying its short-term debts, Western bankers say that the coun-

try can no longer buy goods abroad. So acute is the situation that many economists, including the minister of finance, Kola L. Kaiti, believe that the loan is the only thing that can give the country time to begin restructuring its economy and reopen access to foreign credit.

As a condition for granting the loan, the IMF has called for Nigeria to devalue its currency, the naira, and end the practice of subsidizing petroleum products for consumers. At the official rate of exchange, the naira is equivalent to \$1.08, but on the black market in Lagos money changers are selling nairas for as much as four to the dollar.

The tremendous disparity between the official and unofficial exchange rate has led to rampant smuggling and has sharply curtailed Nigeria's ability to sell manufactured goods abroad.

Moreover, gasoline in Nigeria re-

mains the cheapest in Africa, less than \$1 a gallon at the official rate and about 25 cents a gallon at black market rates. General Babangida refused to say whether oil subsidies would be lifted, and he virtually ruled out any sharp devaluation of the nation's currency.

Nonetheless, he insisted that the Nigerian economy would have to be redirected, particularly in light of the threat to oil prices. Recently, the Saudi oil minister, Sheikh Ahmed Zaki Yamani, cautioned that the glut of oil on the world market could bring the price of a barrel of oil down to \$18 from its current level of \$28.

"Perhaps it is one of the reasons why it is necessary to diversify the economy, so we shift the emphasis from oil to other commodities," the general said. "By this time next year we should be very, very self-sufficient in food. We should be able to feed ourselves and meet all our food requirements."

UNESCO Appeals to U.S. To Reconsider Departure

The Associated Press

SOFIA — The UNESCO general conference opened here Tuesday with an appeal to President Ronald Reagan to reconsider the U.S. withdrawal from the organization.

Said Tell of Jordan, the outgoing president of the conference, also urged Prime Minister Margaret Thatcher of Britain to reconsider her government's decision to pull out of the United Nations Educational, Scientific and Cultural Organization at the end of the year.

Mr. Tell said the U.S. departure at the end of 1984 was a cruel and painful blow that threatened the existence of the 160-nation organization, which is based in Paris.

The United States, which provided 25 percent of UNESCO's budget, or \$43 million a year, withdrew because, it said, the organization had become overpoliticized, anti-Western and was poorly managed.

Britain has given formal notice that it will follow the United States unless the meeting produced significant changes in UNESCO's programs and operations.

Other West European nations and Japan are expected to reassess their participation after this conference.

Mr. Tell said the conference was taking place in extraordinary circumstances because of the withdrawals and also because the conference is to approve UNESCO's program and budget, which is \$382.5 million for 1986-87.

Director-General Amadou Mahtar Mbow, whose management has been criticized by Western nations, said in his address that UNESCO had to be "more attentive than ever to protecting the principles on which the UN system was founded."

"I will not go into the campaigns of scorn and the attempts to destabilize UNESCO in recent years," he said.

"If you look at the efforts that we have made and the results we have achieved, in a difficult international climate, in which tensions increase and in which the role of the organization appears in so many respects irreplaceable, these campaigns seem ridiculous," Mr. Mbow said. He did not mention any countries by name.

Delegates will elect a president of the conference to succeed Mr. Tell. Henry Lopes, the UNESCO assistant director-general for program support, said before the opening session that at stake was the future of the UN system of specialized agencies, which includes UNESCO and 14 other organizations.

He said a "world without the United Nations would be a world without multilateral cooperation" and a "return to limited forms of exchange."

About 3,000 delegates, observers and journalists from about 140 nations are attending the conference. Among the programs that have drawn the most Western criticism are disarmament studies strongly supported by the Soviet Union and UNESCO efforts to establish a new world information order.

Western governments and media organizations view UNESCO communications programs as designed to limit press freedom. It is feared that they will lead to the licensing of journalists.

UNESCO was established in 1945 to promote international exchange in education, science and culture in order to further international understanding.

Communists Lose Grip on Italy City Governments

(Continued from Page 1)

demand that the Socialists sever local ties with the Communists.

In Venice, where the Communists had 19 seats to 17 for the Christian Democrats, the 11 seats from the smaller parties swung against the Communists, and the national governing coalition also took over.

The polemics surrounding these shifts have been fierce.

also been a Socialist, but dependent on Communist support.

In Turin, where the Communists had a 15-to-12 lead over the Christian Democrats, the 11 seats from the smaller parties swung against the Communists, and the national governing coalition also took over.

The polemics surrounding these shifts have been fierce.

The Communists charge that the imposition of the national coalition on the cities violates local autonomy.

In return, it is argued that the Socialists have freely chosen their municipal policy and that the Christian Democrats and the Communists have both for their own reasons exaggerated the force of Mr. de Mita's ultimatum.

The Socialists continue to govern with the Communists in many places.

Gianfranco Sabbatini, the shrewd Christian Democrat who negotiated for his party in the cities, argues that the shift in local governments bespeaks a major change in the national mood.

A maritime radio transmission monitored in San Sebastian, Spain, said that the hijackers numbered 12, according to Trudy Hill. Ms. Hill said that she monitored a conversation between the captain of the hijacked ship and a warship from a nation she refused to reveal.

"There are 12 guerrillas on board, all of them young except for the leader of the group," she said. "They are very heavily armed. They came aboard from distant ports on the route of the Italian boat, pretending to be Dutch tourists."

(Reuters, AP, UPI)



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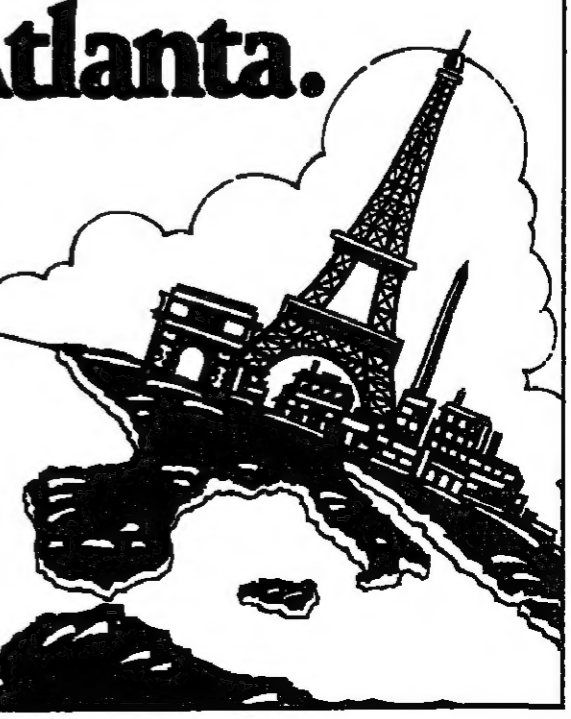
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INTERNATIONAL Herald Tribune

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Hurting the World Court

There is a disconcerting pick-up-your-marbles appearance to the Reagan administration's decision to terminate the United States' 39-year-old declaration accepting the compulsory jurisdiction of the World Court. It looks as though the United States merely decided it was taking too much heat in Nicaragua's current suit alleging that American support of the "contras" violates international law. Not many Americans may know exactly what international law is, but it is something of an article of national faith that American conduct in the world should be in conformity with it. The spectacle of the United States walking off the field is not a pleasant one.

In fact, the reality differs from the appearance. American acceptance of the compulsory jurisdiction of the International Court of Justice in political cases (on a reciprocal basis) represented the part of the American postwar outlook holding that the terrible conflagration of World War II could usher in a rule of law. Few countries — no unfriendly ones — ever followed the American example. At that, the United States ruled its domestic affairs out of the court's jurisdiction and made plain that it would not allow it to compromise American security. So it jarred many American lawyers,

including those with no sympathy for President Reagan's foreign policy, when the court, in the Nicaragua case, asserted jurisdiction for the first time in a continuing armed conflict.

But that does not fully explain the administration's reaction. Insisting that the court is essentially a political forum, and an unfriendly one, the United States declined to stand up to Nicaragua's charges and to avail itself of the opportunity to present the American counterclaim that the Sandinistas are subverting their neighbors. The United States could have considered withdrawing partially from the court's compulsory jurisdiction, making the national security reservation that other states have made. Instead it withdrew entirely.

A strong argument can be made that the World Court made a mistake by taking the Nicaragua case; the dispute between Managua and Washington is political and should have gone to a political forum — the United Nations. At this late date, too, few people mistake the court for mankind's last best hope. But it is an institution with its modest uses, and America, as the pre-eminent country of law in the world, has a greater interest than any other in seeing it strengthened, not diminished.

— THE WASHINGTON POST.

Punishing AIDS Carriers

Diane McGrath, the Republican candidate for mayor of New York, has a plan for controlling the spread of AIDS. She would require all doctors, nurses, teachers, food handlers and prostitutes to take the blood test that detects the antibody to the AIDS virus, and would bar those whose tests are positive from contact with the public. Their loss of livelihood would be regrettable, Mrs. McGrath says, but people exposed to AIDS are "a clear and evident menace to the health of their patrons."

Fear and ignorance about AIDS can so weaken people's senses as to make them susceptible to an equally violent threat: bigotry. Unlike the AIDS virus, bigotry is contagious. Unlike AIDS, bigotry can be treated. More than AIDS, bigotry is a threat to the innocent public. There is every reason to try to contain bigotry, but there is none for locking up those who carry the AIDS virus.

Mrs. McGrath is not the only victim of ignorance about AIDS. Judge Harold Hyman, who is hearing a suit against the city's policy of permitting some children with AIDS to attend school, says he cannot imagine why the city Health Department does not quarantine adults with advanced AIDS. How should those afflicted with ignorance be treated? With the compassion and understanding that they would deny to the victim of AIDS. They must be reassured that their fears are unfounded and their proposals ill-conceived.

AIDS is frightening, but it is also extremely hard to contract. The principal routes of infection are anal intercourse and contaminated hypodermic needles. With the possible exception of prostitutes, none of the professions Mrs. McGrath would victimize are spreading the disease at all. If anything, medical staff might be at risk of contracting it. But she

might think about that for a moment. Doctors and nurses have courageously cared for AIDS victims for years without harm. They thus provide persuasive evidence that the disease cannot be spread by casual contact.

About a million Americans carry an antibody to the AIDS virus in their blood without having developed AIDS. Many of them may also carry the virus that is the antibody's target. In theory, the antibody test offers a handle by which to control the spread of AIDS, since almost everyone with the virus also has antibodies to it. Shouldn't everyone be made to take the test? Shouldn't the names of those whose tests are positive be reported to a registry, as Colorado now requires?

No. Forcing people to take a test, or recording names in a registry, would expose those at risk to discrimination at work and at home — for trivial gain. No treatment can yet be offered to carriers of the virus. Nor is there any reason to quarantine them. They are not contagious and the "quarantine" might ruin their lives, for no public benefit. All that could at present be offered to those forcibly identified is education: advice on how not to infect a sexual partner. But most of the million at risk are homosexuals, and most already receive that advice, which is the same for people who have the antibody and for those who do not.

When a treatment for AIDS is developed, there may be more point in seeking out those who could benefit from it. New signs of AIDS among prostitutes, presumably due to abuse of drugs, strengthens the case for trying to close that avenue of infection. Meantime, proposals to seek out and segregate persons exposed to AIDS promise only to institute a new apartheid, just as fruitless and cruel as the old one.

— THE NEW YORK TIMES.

Other Opinion

An American Switch in Seoul

The United States' forward-looking package of proposals currently being presented at the IMF-World Bank general meeting in Seoul is a surprising but much-needed gesture. For the Reagan administration to be interested in multilateralism again after several years of preaching bilateralism and other conservative dogma is a sharp reversal of stance.

The U.S. move is not without self-interest. The U.S. economy has slowed, imports are continuing unabated. The United States may not have heeded the world's complaints a few years ago, except to present itself as a model while decrying Third World mismanagement and the European Community's rigid state structures, but this is changing.

— The Business Times (Kuala Lumpur).

After More Rioting in Britain

This is irredeemably bleak. Within a handful of weeks, Brixton follows Huddersfield and Tottenham follows Brixton. Worse, there is a feeling of momentum, of gathering violence. Now, at Tottenham, the rioters have guns and knives as well as petrol bombs. The metropolitan commissioner talks of plastic bullets, tear gas and water cannons, while the home secretary holds hard to his seemingly unshakable conviction that these are gangs of criminals, to be cowed and caught and locked away. [There is] no attempt to give a fabric of society to neighborhoods where isolation and poverty

dominate, areas of foredoomed losers in the political game of winners and losers. Neil Kinnock had a good phrase for it, last week: government by "lethargy and conflict." That rings, day by day, more horribly true.

— The Guardian (London).

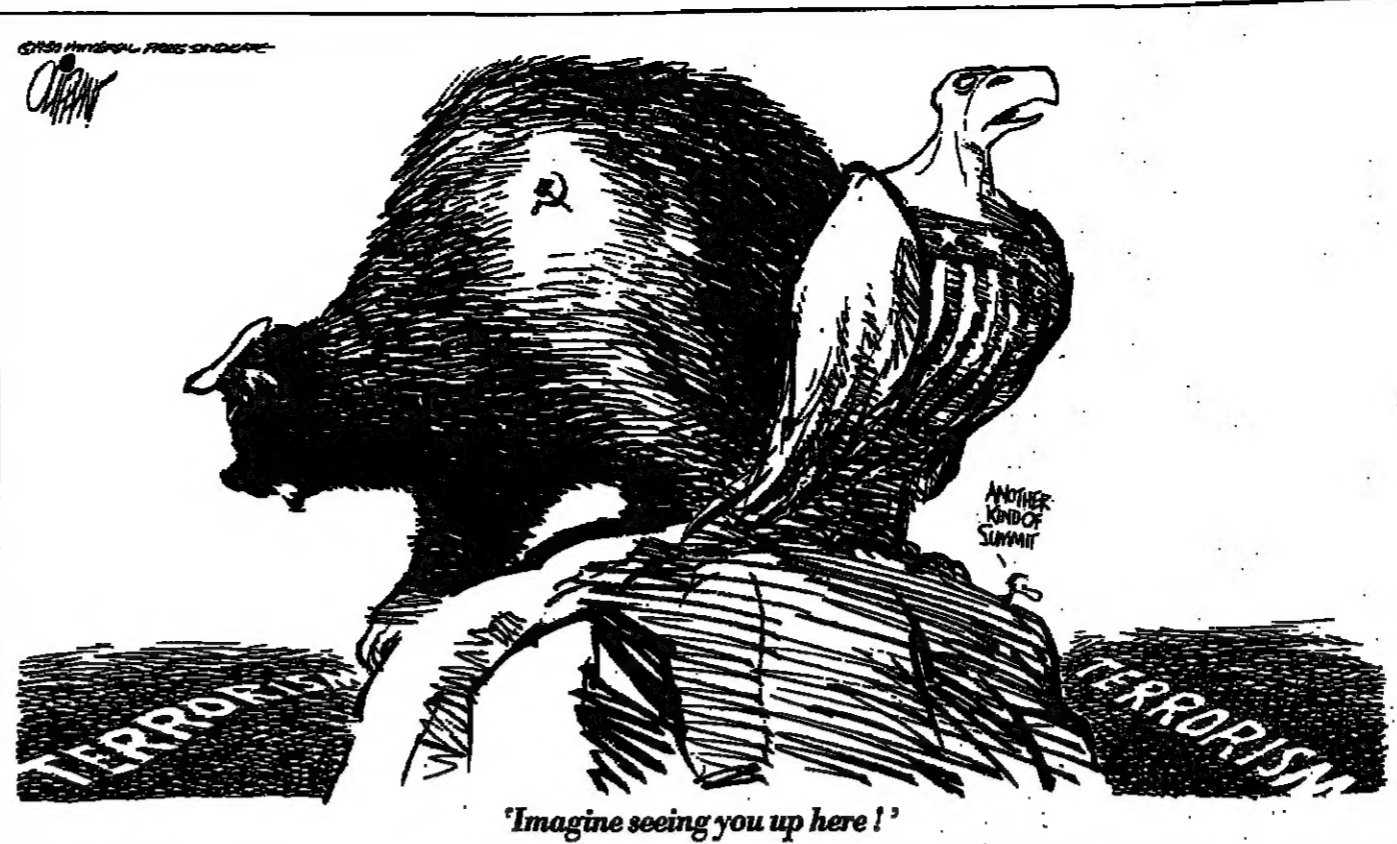
It is, in the final resort, the blacks of Britain who must decide their own destiny here. Either they obey the laws of this land where they have taken up residence, or they must expect the fascist street agitators to call ever more boldly and with ever louder approval for them to "go back from whence they came." They must find themselves community leaders who preach cooperation — not confrontation.

— The Daily Mail (London).

Skepticism About 'Star Wars'

Whenever the concept of a space-based antimissile system is taken out of the hands of its proponents and is objectively examined by nonpartisan scientific and technical experts, the answer is the same: It will be very expensive; it could be militarily and politically destabilizing; in all likelihood, it will not work. The Pentagon sidesteps [criticism] by saying that the United States would not deploy a "star wars" system unless it was effective and contributed to military stability. But, given the 40-year history of the nuclear arms race, the Pentagon's statement is scarcely reassuring.

— The St. Louis Post-Dispatch.



"Imagine seeing you up here!"

United Nations: Reforms Might Help It to Work

By Sadruddin Aga Khan and Maurice F. Strong

Sadruddin Aga Khan was UN high commissioner for refugees. Maurice F. Strong is executive coordinator of the UN Office for Emergency Operations in Africa.

NEW YORK — For all the champagne and fine words, it should be obvious to friends and foes alike that the United Nations is in trouble and has fallen far short of what its founders dreamed of 40 years ago.

One of the main complaints is that as a multilateral organization the United Nations hinders proper bilateral international relations. But the world is now more interdependent than ever. Also, like it or not, power is now parceled out more widely than it used to be. That requires talking to more governments, more of the time. The United Nations is the mechanism for doing that.

For its friends, of which we are two, the real complaint should be that the United Nations is such an imperfect expression of multilateralism. The problem is not so much that it fails to meet grandiose expectations of a "world government" but that it is not particularly effective in averting conflict or fighting poverty.

The United Nations, as it is presently limping along, is clearly not up to the task of reversing those trends, let alone its own genteel deterioration. Officials carry on with their rou-

time business ever more removed from the politics of the real world. With notable exceptions such as the present secretary-general, Javier Pérez de Cuellar, whose frank annual reports mostly fall on deaf ears, those who profess to be friends of the United Nations seem to believe that history and time are on their side. What the United Nations suffers from is the dangerous presumption that it will outlive its critics.

If this state of affairs is to be improved, much will depend on the "middle-sized" states. Everybody talks about polarization between East and West and North and South. Not much can be done about that in the short term, but what can be resisted is the tearing apart of the organization by the big states on the one hand and the smaller ones on the other. India and Australia, to take just two very different examples, could help bridge the polarization between the powerful yet indifferent

a period of time to considerably less than the present percentages — to a maximum, say, of 10 percent. The difference would be made up by the middle states, thereby encouraging them to play a bigger role.

Such a change would not challenge the interests of the major powers, who would gain more than anybody from a more coherently functioning and balanced world body. And the small states should have no complaint. The United Nations is often their principal diplomatic outlet; indeed, they worry that it is only they who invest a relatively large part of their diplomatic effort there.

Some think the organization is in decline because the secretary-general has so few powers. Not necessarily. What has happened is that the agenda of the United Nations has become an unwieldy millstone around his neck. The secretary-general and his staff should be allowed to concentrate on, say, half a dozen crucial issues. At the moment, the United Nations is an octopus walking in every direction at once.

Nor need an action always wait until the last moment. A useful intervention as soon as the early warnings sound can do much more good than a later Band-Aid. Many Third World upheavals, for example, involve a cycle of political, ecological and economic instability that could be broken at an early stage by judicious injection of multilateral aid together with discreet diplomatic work. Left to fester, such situations can lead to the all-too-familiar crises of mass exodus, famine or civil war that become cemented into political geography.

But even if the secretary-general does not need new powers, he must have the basic authority to manage his own organization: to hire and fire according to the highest professional standards and thereby provide overall tone and leadership to the system. There must also be a higher caliber of appointments at the top. There is nothing wrong with political appointments if appointees have a distinguished and relevant career record. But governments too often consider comfortable UN sinecures a dumping ground for mediocre diplomats. A board of independent, eminent people should be set up to establish the desirable qualifications for each senior vacancy as it comes up. If individual governments still insisted on sending poorly qualified timeservers, at least their actions would be recognized for what they are.

The entire structure should be rationalized. Its current organizational shape includes the accumulated whims and false starts of 40 years. Many programs that have run out of steam linger on. Sometimes their budgets are consumed by staff costs, leaving them no funds to work with. Units with overlapping mandates or inadequate capacities should be eliminated or merged. There is even a case for creating new activities when needed, such as transport to move food and other relief goods. But the United Nations should not try to do everything, only what it can do well.

Finally, it must learn to protect itself. It still enjoys good will in the opinion polls. But its supporters either try to market it as some higher order of government or become utterly defensive and secretive about obvious weaknesses in performance. Little attempt is made to explain the United Nations for what it is — a far from perfect but nevertheless remarkable experiment in international cooperation that urgently needs a helping hand from all of us.

The New York Times.

United Nations: Not for Switzerland

By Roger R. Gallop

There would be no state to act as "protecting power" for the warring countries would emerge, as it did in World War II when Switzerland, at the request of the United Kingdom and the United States, represented allied interests on a reciprocal basis in Germany, Italy and Japan.

That was made possible by Swiss neutrality and the fact that Switzerland enjoyed the confidence of the countries concerned. Because of this confidence and neutrality, and in spite of the fact that Switzerland does not belong to the United Nations, prominent Swiss citizens have been called on by the secretary-general to carry out important missions for the organization all over the world.

So it is in the best interests both of the international community and of Switzerland that the country should abstain from membership in the General Assembly, which is the organization's political body. But it is also necessary that Switzerland continue to participate in the activities of the specialized UN agencies.

It should also be kept in mind that if Switzerland were to join the United Nations, new attempts could be made to change the all-Swiss composition of the International Committee of the Red Cross, and possibly to incorporate the Red Cross into the UN system. That would seriously impair the independence and efficiency of the humanitarian movement.

The writer, a former executive president of the International Committee of the Red Cross, contributed this comment to the International Herald Tribune.

Economic Sanity May Be Spreading

By David S. Broder

WASHINGTON — It is late in the day, but leaders of both parties are hurrying toward realism on fundamental economic issues that they have been doing their best to avoid. Democrats are starting to talk sensibly about trade, and Republicans are shutting down some of their posturing on taxes. With luck, there may yet be a chance this year and next to take substantial steps to improve America's competitive position in the world and hand something better than a hangover of debt to the next generation.

These observations are occasioned by a series of recent developments suggesting that a welcome attack of sanity has hit Washington. I first noticed this phenomenon when James Miller, the new director of the Office of Management and Budget, testified last month at his confirmation hearing. Instead of repeating the ritual administration opposition to any form of deficit-cutting tax increase, Mr. Miller said he would not rule out that option as part of a budget package. "Nothing is off-base," he said. "Nothing is sacrosanct."

Coming from the new budget director, this was far more helpful than the admission by his predecessor, David Stockman — 60 days after he left office — that America needs a \$100-billion tax increase.

President Reagan, and the rest of the Republican establishment for arguing that a tax increase had to be part of a budget-deficit solution.

Mr. Stockman tells the country what is palpably the case. "It is very clear to me, after five years," he said, "that the spending-out episode is over. We've had a referendum on what we want in the budget, and what we don't. What's left, most of the people want. And we're going to have to raise taxes to pay for it."

That simple truth can become the basis for sound policy in 1986 if Mr. Reagan can be persuaded by Mr. Miller, Treasury Secretary James Baker and others to perform another of his famous flip-flops. Let us hope these men are eloquent.

In the Democratic ring of the Washington circus there are hopeful signs of sanity on the trade issue. For months the Democrats have been doing tip-ups on trade, happily exploiting the Reagan administration's peculiar indifference to the damage that major manufacturing sectors have suffered at the hands of foreign competitors.

What was first seen as a way to show the folks that Democrats put America first, or as a way to tell the administration to get cracking on a trade policy, or as a warning to the Japanese to open their markets, became a matter of high policy and political strategy to victory-starved Democrats. But as serious policy,

protectionism long ago earned public distrust. Belatedly, Democrats are showing signs of realizing that bad policy cannot be good politics.

Now the Democratic Leadership Council, a group of elected officials that likes to think of itself as being in the party's mainstream, has issued a report on international economic competition. It identifies intrinsic American factors as the major causes of the worsening trade balance and the declining U.S. position in the world economy.

The inflated dollar rate (in large part probably caused by the budget deficit), the lag in productivity growth, relatively high interest rates and a drop in personal savings rates are responsible for at least 80 percent of the falling U.S. performance in trade competition, the Democrats said. These are problems that only the United States can solve.

Representative Richard Gephardt of Missouri, a leader of the group, admitted that the legislation he and other Democrats have sponsored for a 25-percent tariff on Japan and others who protect their domestic markets can be only "a small part of the solution — a short-term effort to stop the hemorrhage."

House Majority Whip Thomas Foley of Washington holds out hope that Mr. Reagan's expected vetoes will be upheld, provided the administration sustains its own belated trade-policy offensive.

Slowly the forces of reason are gaining ground in both parties.

The Washington Post.

For France, A Season of Uncertainty

By Flora Lewis

PARIS — There is a peculiar rhythm to the troubles of France's Socialist government, like a square dance of a step or two forward and several steps back.

For a few days last week the Soviet leader, Mikhail Gorbachev, captured all the headlines and gave President François Mitterrand a chance to appear as the firmly decisive national leader, an image that the Greenpeace affair had put in question.

Mr. Mitterrand's flat rejection of the Soviet request for negotiations on the French atomic force was in line with his stern order not to let Greenpeace protesters interfere with nuclear tests in the South Pacific. The answer to the Russians was general applause in France. The French like a display of independence.

Nor has there been any criticism of the determination to use the French navy to keep Greenpeace and its flotilla of small boats away from Mururoa atoll, where the tests take place. The big scandal about French agents who sank the Greenpeace ship Rainbow Warrior in New Zealand never produced a single question here about why continued tests are necessary, nor about future nuclear plans.

But it is not over yet. There are still booby traps floating around. The politicians and the press's approach to the affair has its own logic, which is vulnerable to surprises.

Scarcely anyone in France objected to the operation, which so outraged New Zealanders, despite clear violation of international norms of friendly territory. Indignation was reserved for the fact that it was conducted in such a clumsy fashion, and that after a transparently awkward cover-up Paris was caught out. Pierre Messmer, a former prime minister and defense minister, summed up the reaction: "This affair has humiliated France, and like all Frenchmen, I hate to see my country humiliated."

Defense Minister Charles Hernu finally resigned, and the secret service chief, Pierre Lacoste, was dismissed in an attempt to put an end to the story. The press, which had uncharacteristically dug out the embarrassing revelations of official responsibility, has obliged for the moment.

But there are too many loose ends, and too much at stake with parliamentary elections scheduled for next spring, to expect such a juicy scandal to fade away. For one thing, the French navy and Greenpeace are playing cat and mouse on the high seas now, and accidents are possible. For another, the two French agents arrested in New Zealand will be out on trial next month. And for yet another, the four secret service officers charged with leaking details of the operation to the press have said through their lawyers that they did not talk to journalists. They claim that they only talked to superiors because they knew that something was "rotten" in their organization and they had a duty to report.

All this is very murky. There have been shadowy charges of plots and sabotage in the secret service that nobody seems to be trying to clear up. Opposition politicians would like to pin responsibility on Mr. Mitterrand and Prime Minister Laurent Fabius, if they can find a way without seeming to be undermining France.

The press, as of his difficulties, has reverted to staid reports of public comments, noting, dryly, that Mr. Mitterrand says he wants no more to do with the affair.

Of course, it is not his only problem. Apart from polls that show resolutely that his party will do badly in the elections, there is a fight going on among the Socialists over whether to march on adamantly on a losing track or to proclaim a change of platform toward the moderation that they have come to practice.

In the circumstances, it is surprising that there has been no comment about Mr. Mitterrand's health. The constitution gives him two more years in office before the parliamentary elections, but makes no provision for how power would be divided with an opposition legislature. There is no precedent, and it poses the central dilemma for France now: The constitution also provides no successor. If the president cannot function, presidential elections must be called.

Mr. Mitterrand looks bad these days. His usually puffy, chalky face is gaunt and his skin tone is a greenish gray. The Elysée Palace says he had a regular checkup in June and everything was normal. Perhaps he is only feeling the strain of his difficulties.

As it did at first in the slowly unraveling Greenpeace story, the press is respectfully withholding probing questions. But there is a feeling of something lurking in France, something unpredictable.

The New York Times.

LETTER TO THE EDITOR

What UN Personnel Earn

In "Delegates Worried by U.S. Proposals on UN Budget" (Sept. 19), Don Shannon refers to a proposal by Senator Nancy Kassebaum, the Kansas Republican, as "a cause of concern among the secretary's 5,000 employees, [which] would have required that UN employees be paid no more than U.S. civil servants."

This Kassebaum proposal concerned not just professional staff in New York but more than 18,000 employees of the United Nations and specialized agencies serving in duty stations all over the world. Moreover, recent data show that in about 80 countries UN employees already earn the same as or less than the comparable U.S. official serving in Washington, and in most cases substantially less than the comparable U.S. official in the same duty station.

The U.S. government recognizes that UN employees are generally not as well paid as U.S. employees doing similar work. The Federal Personnel

Manual provides for an "equalization allowance" to make up for the short fall in earnings. This allowance is paid to federal employees who have served in a UN organization, upon their return to the federal service.

It is true that UN professional staff in New York earn, at present, about 18 to 21 percent more (depending on the method of calculation) than U.S. civil servants in Washington. There is an important reason for this difference. About 90 percent of UN professional staff work outside their own countries and incur extra expenses as a result. This is recognized by all governments, which pay their personnel sent abroad far more than they receive when stationed at home.

The Federation of International Civil Servants' Associations has brought all these elements to the attention of Senator Kassebaum.

MARGORY DAME
Federation of International Civil Servants' Associations
Geneva

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ARTS / LEISURE

'Torch Song' Still Burns, But With Lower Flame

By Sheridan Morley

International Herald Tribune

LONDON — Time has not been especially kind to Harvey Fierstein's "Torch Song Trilogy." In the eight years since he started writing these three interlinked but self-contained plays about a New York drag queen who ends up adopting a 15-year-old schoolboy, perceptions of Manhattan gaiety have radically altered. In the era of AIDS, the first play has become a

him Terry Hands has constructed a black-box production of precisely the high confidence and assured style that the Royal Shakespeare Company has most lacked in Warwickshire this year.

This is an unusually graceful and mystic "Othello"; indeed, when Kingsley assures the Venetians that he is rude in his speech, one is left to reflect that they are a great deal ruder, and there is a marvelous moment when a senator applauds him for being "far more fair than black," only to receive a look of regal disdain from the Moor.

Kingsley and Miami Quisack as Desdemona glitter through the evening in a stunning array of jeweled tents, while David Suchet prowls around the edge of their bed as a bisexual logo of equal intelligence and power.

Uneasily poised somewhere between a celebration of Judy Garland's songs and a clinical report from her psychiatrist, Terry Wale's "Judy" at the Bristol Old Vic is a biographical in need of more work before it reaches London in December. Despite the recent castrophes of "Judy Garland" at the National and "Marilyn" at the Adelphi, superstar disaster stories are potent at the box office; the West End has Elvis Presley and is soon to get John Lennon, or reasonable facsimiles thereof.

No single performer of recent times was more constantly mocked by her material than Garland. Having spectacularly failed to be born in a trunk or get happy, she also failed ever to find the end of the rainbow, her private life becoming a series of alcoholic falls into the arms of ever-more-unsuitable husbands. But her songs came from dozens of composers and were only given coherence and greatness by her singing of them, and a show about the corrosive nature of stardom still needs a star. Lesley Mackie in the title role is a tiny, talented actress who looks for much of the evening as if she would have been just as happy playing Mickey Rooney.

The brilliance of Pam Gems's "Piaf" was in avoiding any impersonation of the great Edith or any attempt to explain her talent; the problem with "Judy" is that its book drifts through all the backstage clichés of pushy mothers and pushier drug-dealers while trying to explain and recreate the public stardom of the lady memorably described by Louis B. Mayer as a chubby hunchback who sang like a little old woman.

The 1985 Stratford season draws to a close with an immensely impressive "Othello." Ben Kingsley may lack Olivier's animal theatricality in the role, just as he lacks Robeson's deep gravel voice, but he is the most intelligent and believable Moor of recent years. Around



Louis Affenito, the first Playboy "rabbit."

Playboy's Louis the Rabbit: End of Sexual Revolution?

By William E. Geist

New York Times Service

NEW YORK — This is the tale of a rabbit named Louis Affenito of Brooklyn.

Affenito is Playboy's first male bunny, or rabbit, at the new Playboy Empire Club. Playboy plans to have rabbits multiply like crazy in clubs all over the country.

"I always wanted to be first," said Affenito, a carpenter and aspiring actor. "I came to realize that I would not be the first astronaut or the first to hit 62 home runs. This is an honor."

"An honor, and an awesome responsibility," added Jeff Rector, one of 35 rabbits selected after Affenito to staff the New York club, which is scheduled to open the first week in November. There will still be bunnies at the new-look Playboy clubs.

Some people are reading social significance into the introduction of Playboy rabbits on the 25th anniversary of the first bunnies. "This has to be the absolute end of the sexual revolution," said a bunny. "We definitely felt the weight of history on our shoulders," said Kathryn Cunningham, a member

of the three-woman panel that selected the 36 rabbits from 1,500 candidates wearing shorts or bathing suits.

The rabbit uniforms are still under wraps, but Richard Melman, acting director of the club division of Playboy Enterprises, said that the seats of the uniforms would be padded (for some reason), that rabbits would almost certainly not wear bunny ears and that the uniforms would be "all-American, but sexy, don't worry."

DOONESBURY



Byblos, Complice Dominate Showings

By Hebe Dorsey

International Herald Tribune

MILAN — The Milan ready-to-wear collections so far have been dominated by two-thirds of the Giombelli trioka (Byblos and Complice have showed; Genny's collection comes out Wednesday). One of the most important manufacturers in Italy, Donatella Giombelli, who has just opened offices in New York, is at a

Montana, who did a memorable sailor look two years ago, is very good at fooling around with uniforms.

His most striking look — tight bermudas, long fitted and belted safari jackets and duster coats to the floor — was made in earth-colored linens, black organzas and cotton printed with ad-like material.

Complice is, and is supposed to be, commercial Montana, but here and there were some bland clothes that make you wish for more of this designer's famous zing.

Selma Weiser, the president of the five avant-garde Charivari stores, was happy with the collection, however. "This is wonderful Complice," she said, "even better than in the showroom."

The iridescent poplins in prune, eggplant and honey had a sober and slightly sad look. Black for the beach emerged as the strongest swimwear trend, as established by Princess Stephanie of Monaco in her swimsuit line a few weeks ago. The favorite beach wrap is going to be the old white terry robe that hangs in just about everybody's bathroom (which Stephanie also showed).

Laura Biagiotti, who is said to have a good following in Hollywood, should do well with her white linen shorts, cute cropped jackets and spectacular long linen dusters, decorated with fine pleating and tucking. She also has some chic cashmere track suits (these may, however, prove a bit hot for serious jogging). It's a clean look, which is the best one can say for Biagiotti — but so clean that it becomes overwhelmingly virginal.

Out of the showrooms, the talk is about prices and the emergence of West German competition. Many retailers feel that, because of the drop of the dollar and Italian inflation, Milan prices are out of line.

One of Complice's designs of tight bermudas, with long fitted and belted safari jackets.



"Everybody here talks in terms of millions," said Lynn Manulis, president of the Martha boutiques in New York and Palm Beach. "That's not possible." Referring to the minimum orders demanded, she said, "They want \$100,000 before you even sit down."

The switch from deluxe ready-to-wear to sophisticated nouvelle couture was also met with some criticism. Many feel that the Italians were best at luxurious sportswear.

Furthermore, some feel Milan is losing out to the West Germans, who have learned how to do the sportswear look and copy like crazy.

"I think it's all going to happen in Germany," Manulis said, calling the Germans "young, ambitious, eager. They have fantastic manufacturing possibilities. They're where the Italian market was 15 years ago."

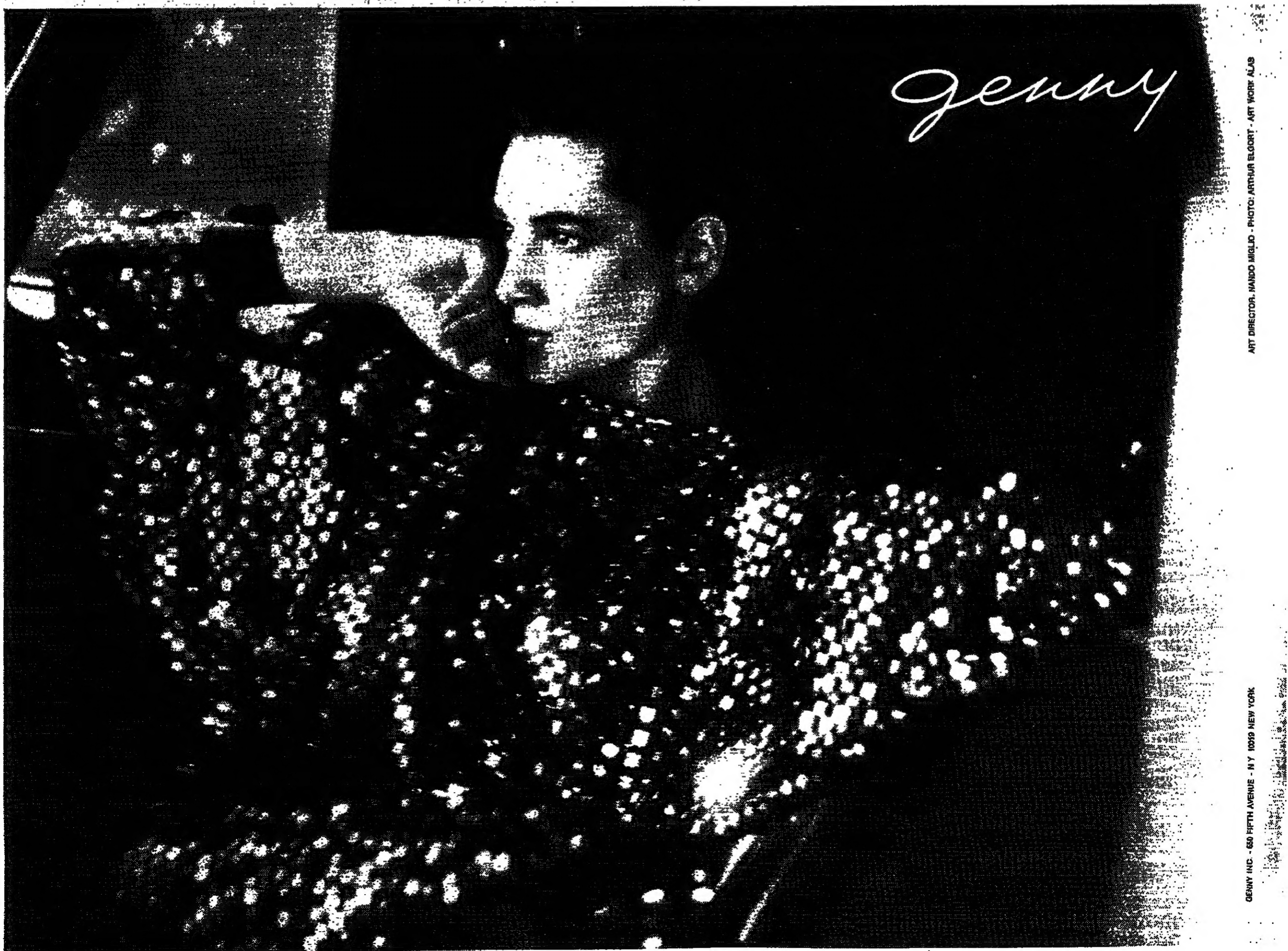
Other American retailers in Milan said they shared that view. Charles Galley of Los Angeles and Rose-Marie Troy of Bullock's Wilshire, also in Los Angeles, both visited West Germany, and the New York-based fashion consultant Don Norton, who counts B. Altman among his accounts, was on his way there.

But Weiser disagreed. She said the West German prices were "about the same," and as for German styles — "They're not for us," she said.

Nadine Samson, an important Paris retailer, with five major stores, agreed with Weiser. "The Germans," she said, "cut everything on the flat. Their clothes have no chic."

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Reagan: A Master of Political Compromise and Ideological Purity

These are the keys to Mr. Reagan's thinking



"Die-hard conservatives thought that if I couldn't get everything I asked for, I should jump off the cliff with the flag flying, go down in flames. No, if I can get 70 or 80 percent of what it is I'm trying to get — yes, I'll take that and then continue to try to get the rest in the future. And maybe it's easier to get it as they see that

The president was very much in control of the interview, during which we were seated side-by-side facing a camera in front of the fireplace. Asked why he had been underestimated throughout his political life, he lost his smile. Turning his head, he fixed his interviewer with a hard stare as if hitching up his belt for a bar-room brawl. "By whom?" he wanted to know.

Faced with a decision, he will usually consult with his staff members and take their advice, but

BUT the president had made the remark as part of a defense of his firmly held

In general, said Howard H. Baker Jr., the former Senate majority leader, "The president is

Sometimes, he will stake out a new position on his own, with little input from his aides or even in the face of their opposition. This was the

even in the face of their opposition. This was the case with his idea for the Strategic Defense Initiative.

bad, American and un-American. That allows him to cut through the complexities that bewilder and hold no interest for the general public, putting him squarely on the public's wavelength.

If he took such steps, he could count on

ahead are some dangerous economic icebergs and an intricate summit meeting in Geneva with the Soviet leader, more complex enterprises that will test whether the mind of Mr. Reagan can construct meeting political

construct creative political essays.
(Excerpted from *The New York Times Magazine*.)

ELEGANT LUXURY ON THE RIVER OF KINGS

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[illegible]

By Betty Cuniberti
Los Angeles Times Service

For Mrs. Enscoe as well as traditional women who have always disagreed with the feminist movement, frustration has been mounting because they feel their voice is missing from the national debate on "women's issues."

A Time magazine article putting their membership at 500,000. That figure is larger, she said, "than the National Organization for Women, the League of Women Voters and the National

those who have been donors or asked to be on our mailing lists or signed a petition" supporting the group's stand. She said the group estimates that 30 percent of that figure, or about 150,000, are "current donors" who pay \$15 or

Information was available on its finances in the New York office of charities registration, and the Sacramento Registry of Charitable Trusts said the group is delinquent in filing its 1984 financial report.

"Comparing the two of us," Ms. Smeal said, "is like comparing apples and oranges. They're a

time attorneys, is litigating 13 cases, including three in the Supreme Court. The cases range from a child custody suit on the part of a California woman who was married to a homosexual; to the right to picket abortion clinics.

Concerned Women moved its headquarters

At their three-day convention in Washington, the women prayed, sang hymns and viewed an aborted fetus in a coffin. They also heard speeches from two Republican congressmen: Jack F. Kemp of New York and

outlawing abortion, Mrs. Schlafly is zeroing in on school textbooks. She advocates the return of phonics, books featuring traditional roles for men and women and the elimination of secular humanism. She wants children to be taught that

Women apparently is larger. Mrs. Schlafly said there were 40,000 subscribers to the Eagle Forum newsletter, but her group does not litigate cases — another important difference.

organizations were launched to oppose the Equal Rights Amendment, the Eagle Forum under the name "STOP ERA" in 1972, and Concerned Women in 1979.

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INTERNATIONAL MANAGER

Word Processors Alter Role For Male, Female Secretaries

By SHERRY BUCHANAN

PARIS — With the introduction of the personal computer, U.S. executives are hiring more men with word-processing skills as secretaries than the traditional female role itself is changing from "office wife" to electronic wizard.

Some women secretaries in the United States believe that the presence of men as secretaries will help to do away with the old stereotype of the "office wife." Others resent the male encroachment on their territory just as things are getting better.

In Europe, the word processor has hardly made a dent in traditional stereotypes and attitudes. Given a man and a woman with word processing skills, executives still prefer to hire women for the secretary's traditional tasks — handling correspondence, preparing reports as well as answering the phone, bringing the coffee and greeting guests at the door.

One caveat to that is certain government and business posts, where the right-hand person of a top civil servant traditionally has been a man.

"I don't think, in France, the new technology will bring about a change at all," said Sonia Vannier, an Englishwoman living in France. In 1974, she created the European Association of Professional Secretaries, which promotes the image of the executive secretary as a professional.

"This idea of a secretary who is a partner doesn't exist in the French hierarchical business world," she said. "There is a female world and there is a male world. These are two completely different worlds that don't mix." Mrs. Vannier places the blame for such rigidity as much on women as on men.

François Dessaigne, who is bilingual, takes short-hand and can type and operate a telex as well as word processor; cannot find a job as a secretary with a French company. His last temporary assignment was with the French subsidiary of a U.S. company. "There was no problem there, as long as you could do the job they didn't care what you were," he said. "But when I go for interviews with French companies they ask me why I have been reduced to looking for a secretary's job."

Pepsi-Cola (Northern Europe) Ltd. received 70 applications in response to an ad that ran last week in The Times of London for a secretary in the personnel department. Not one was from a man. "It's a prestige thing," said Madeleine Waring, in charge of the company's hiring. "First, most men want a pretty girl. Second, they might feel awkward about giving orders to another man."

TOM Anton, executive vice-president of branch operations at Kelly Services Inc., the U.S. temporary-help agency that places 440,000 temporary workers worldwide, said that in the United States, 15 percent of Kelly's temporary office clerical workers are men, compared with six out of 12,000 in Britain and two out of 1,000 in France.

"Due to the large growth in office automation in the United States, there has been a 50-percent increase in the employment of male clerical help in three years," Mr. Anton said.

Manpower Temporary Services, which places 600,000 temporary workers a year worldwide, said that in such large U.S. cities as Boston, New York and Los Angeles, 25 to 40 percent of their office-automation workers and general clerical staff are men, compared with 1 percent in Britain. The U.S. figures include summer jobs for college students.

"In the United States, men are attracted by the extra pay," said James Fromstein of Manpower Temporary Services. "If you can operate a personal computer, you can expect to earn 20 percent more."

Yet according to studies by the Institute of Manpower Studies and International Management, a McGraw-Hill publication, the secretarial role in Europe is changing as well. And according to Kelly Girl Services Ltd., employees with word processing skills command an average of 40 percent more money in Britain.

"Office automation seems to have liberated secretaries from an

(Continued on Page 17, Col. 4)

Currency Rates

Cross Rates	Oct. 8	Oct. 9
Amsterdam	2.91	2.91
Brussels	2.91	2.91
Frankfurt	2.91	2.91
London (S)	1.65	1.65
London (L)	1.65	1.65
Paris	1.65	1.65
New York (C)	1.65	1.65
Milano	1.65	1.65
Tokyo	1.65	1.65
Zurich	1.65	1.65
ECU	1.65	1.65
SDR	1.65	1.65

Other Dollar Values	Oct. 8	Oct. 9
Argentine	1.65	1.65
Australian	1.65	1.65
Belgian	1.65	1.65
British	1.65	1.65
Canadian	1.65	1.65
Chinese	1.65	1.65
Danish	1.65	1.65
Deutsche	1.65	1.65
French	1.65	1.65
Italian	1.65	1.65
Japanese	1.65	1.65
Swedish	1.65	1.65
Swiss	1.65	1.65
Thai	1.65	1.65
West German	1.65	1.65

Interest Rates

Interest Rates	Oct. 8	Oct. 9
1 month	8.5%	8.5%
3 months	8.5%	8.5%
6 months	8.5%	8.5%
1 year	8.5%	8.5%
2 year	8.5%	8.5%
3 year	8.5%	8.5%
4 year	8.5%	8.5%
5 year	8.5%	8.5%
10 year	8.5%	8.5%
30 year	8.5%	8.5%

Key Money Rates	Oct. 8	Oct. 9
Discount Rate	7.75%	7.75%
Federal Funds	7.75%	7.75%
Prime Rate	9.75%	9.75%
Broker Loan Rate	9.75%	9.75%
Com Paper 90-120 days	7.25%	7.25%
3-month Treasury Bills	7.25%	7.25%
6-month Treasury Bills	7.25%	7.25%
CD's 28-90 days	7.25%	7.25%
CD's 91-360 days	7.25%	7.25%

West Germany	Oct. 8	Oct. 9
Discount Rate	5.50%	5.50%
Overnight Rate	4.17%	4.17%
One Month Interest	4.17%	4.17%
Three Month Interest	4.17%	4.17%
Six Month Interest	4.17%	4.17%
One Year Interest	4.17%	4.17%
Two Year Interest	4.17%	4.17%
Three Year Interest	4.17%	4.17%
Four Year Interest	4.17%	4.17%
Five Year Interest	4.17%	4.17%

Japan	Oct. 8	Oct. 9
Discount Rate	5.50%	5.50%
Overnight Rate	4.17%	4.17%
One Month Interest	4.17%	4.17%
Three Month Interest	4.17%	4.17%
Six Month Interest	4.17%	4.17%
One Year Interest	4.17%	4.17%
Two Year Interest	4.17%	4.17%
Three Year Interest	4.17%	4.17%
Four Year Interest	4.17%	4.17%
Five Year Interest	4.17%	4.17%

U.S. Money Market Funds	Oct. 8	Oct. 9
Discount Rate	5.50%	5.50%
Overnight Rate	4.17%	4.17%
One Month Interest	4.17%	4.17%
Three Month Interest	4.17%	4.17%
Six Month Interest	4.17%	4.17%
One Year Interest	4.17%	4.17%
Two Year Interest	4.17%	4.17%
Three Year Interest	4.17%	4.17%
Four Year Interest	4.17%	4.17%
Five Year Interest	4.17%	4.17%

Gold	Oct. 8	Oct. 9
Discount Rate	5.50%	5.50%
Overnight Rate	4.17%	4.17%
One Month Interest	4.17%	4.17%
Three Month Interest	4.17%	4.17%
Six Month Interest	4.17%	4.17%
One Year Interest	4.17%	4.17%
Two Year Interest	4.17%	4.17%
Three Year Interest	4.17%	4.17%
Four Year Interest	4.17%	4.17%
Five Year Interest	4.17%	4.17%

Chrysler To Buy BofA Unit

Financial Arm Being Expanded

The Associated Press

DETROIT — Chrysler Corp. will buy a BankAmerica Corp. subsidiary, FinanceAmerica, for \$405 million in a transaction intended to give the automaker a greater stake in direct consumer lending, the companies announced Tuesday.

The agreement will make Chrysler Financial Corp., the automaker's credit subsidiary, a more independent company with potential for significant growth and profits, Lee A. Iacocca, chairman of Chrysler, said.

"This purchase is the third and by far the biggest step CFC has taken in 1985 to expand and diversify its financial services beyond its 20-year role as an automotive finance company," he said.

Earlier this year, Chrysler Financial formed a joint venture with General Electric Credit Corp. and bought E.F. Hutton Credit Corp., retaining it Chrysler Capital Corp.

"With the addition of FinanceAmerica, CFC has become one of the nation's largest and most diversified finance companies with a broad range of services in the automotive, real estate, equipment, insurance and commercial fields," Mr. Iacocca said. "It puts Chrysler Corp. in the heart of the consumer finance business."

Chrysler Financial's purchase of the FinanceAmerica stock will be completed Nov. 30, Robert Heath, a Chrysler spokesman said.

The acquisition "provides a shelter to earnings, with investment tax credits," said Joseph Philippi, automotive analyst with E.F. Hutton in New York. "It also is a counterbalance to the basic up-and-down nature of the automotive business."

FinanceAmerica, which consists of two BankAmerica subsidiaries, FinanceAmerica Corp. and BA Financial Services Corp., earned \$15.8 million in 1984 and \$9.9 million in the first half of 1985, and had \$2.8 billion in assets on June 30.

Chrysler Financial Corp. earned \$83.1 million in 1984 and \$67.4 million in the first half of 1985, and had assets June 30 of \$9.8 billion.

Mr. Iacocca said FinanceAmerica also will provide Chrysler Financial an advanced computer system to process retail loans.

The other major domestic automakers have also acquired financial services companies in the past year.

General Motors Corp., through its subsidiary General Motors Acceptance Corp., bought Colonial Group of Mortgage Banking and Service Co. in May and bought Northwest Mortgage Inc. in July.

In August, Ford Motor Co. announced plans to acquire First Nationalwide Financial Corp.

Hanson Trust Resumes Bidding for SCM Corp.

The Associated Press

NEW YORK — Hanson Trust PLC resumed its formal pursuit of SCM Corp. on Tuesday, saying it had blocked a rival bidder and offering \$75 a share in cash for the two-thirds of SCM's stock it does not yet own.

Hanson Trust, which earlier spent about \$250 million to buy 32.1 percent of SCM's shares outstanding, would spend another \$630 million to buy the remaining 67.9 percent.

That compares with an offer of \$74 a share in cash and securities for all 12.3 million shares by an investor group that includes SCM management and the investment firm of Merrill Lynch & Co., an offer valued at \$910 million.

When Hanson Trust first began the bidding for SCM in August, it offered \$60 a share. SCM stock was heavily traded after the new offer was unveiled and it closed up 25 cents at \$72.75 a share Tuesday on the New York Stock Exchange.

Hanson Trust's unsolicited bid was withdrawn last month after SCM agreed to be acquired by the Merrill Lynch group. But Hanson Trust won a court fight that enabled it to continue buying SCM stock on the open market.

Sir Gordon White, chairman of the North American interests of Hanson Trust, announced the new offer for SCM shares on Tuesday.

Sir Gordon said Hanson Trust's large holdings in SCM made it impossible for the Merrill Lynch group to succeed in its bid and that he "assumed SCM management would now take all steps in its power to enable SCM's shareholders to accept the new Hanson bid promptly."

Three telephone calls seeking comment from SCM were not returned. Merrill Lynch also declined comment.

Major obstacles remained for both sides in the bidding war. The Merrill Lynch group has said it must acquire at least two-thirds of the stock in SCM for the transaction to be completed. Han-

Union 'Campaigner' Stirs Ire in U.S.

Management, Labor Oppose Aggressive Style

By William Scrin

New York Times Service

AUSTIN, Minnesota — It was almost a year ago that Ray Rogers, a union organizer, first came to this town, 100 miles south of Minneapolis, and a nestpacking center for nearly a century.

Angered by a 23 percent wage cut, local members of the United Food and Commercial Workers believed they might strike George A. Hormel & Co. in August, when their contract would expire. They called Mr. Rogers, 41, to organize the battle.

The move was unlikely to please Mr. Hormel — or Big Labor. In the late 1970s and early 1980s, Mr. Rogers became a hero of near mythic proportions with the union rank and file by helping score an organizing victory over J.P. Stevens & Co., settling a tug-of-war that had dragged on for 17 years. But then and later, his aggressive confrontations have dismayed some union presidents.

Mr. Rogers calls his approach — in which unions attack not only the company they are seeking to bargain with or organize but also banks and other corporations that do business with the principal target — "corporate campaigns." Others use the terms "coordinated campaigns" or "comprehensive campaigns."

By whatever name, such projects are this year's rage in the labor movement. Unions are groping for ways to reinvigorate themselves amid problems involving falling membership, organizing difficulties, poor image and increasing numbers of companies willing to do battle with them.

A new AFL-CIO report endorses coordinated campaigns as "an effective means" to neutralize employer opposition, and the federation gives unions broad assistance in conducting them.

But labor officials are less en-



Ray Rogers in the office of the striking union.

thusiastic when Mr. Rogers personally leads the battles. Jay Forreman, an executive vice president of the United Food and Commercial Workers, said, "Ray acts as if he is a Messiah, and that worries me."

"I think some of his ideas are exciting," said Robert F. Harman, president of the AFL-CIO's Food and Allied Service Trades Department. "Some of the ideas, on the other hand, are suicidal."

Mr. Rogers' own view is that both labor and management fear his power to win workers' loyalty. "I have started a movement," he said. "The corporate financial structure is scared to death of it. Most of the union leaders refuse to understand it. They are not ready to make the organizational commitment to carry it off."

The confrontation in Austin is a typical example of the Rogers approach. Starting in January,

the labor organizer devoted himself virtually full time to devising strategy and marshaling support for the local union.

With the temperature at 20 degrees below zero Fahrenheit (minus 29 Centigrade), he sent several dozen workers to distribute leaflets at 12,000 homes in Austin and the rest of Mower County. Mailings went out to every national union in the country, as well as 50,000 local unions.

Members built storage and distribution facilities in the basement of the Austin Labor Temple, where three local unions have offices. When the strike finally began in August, the union was ready to distribute food and clothing to its 1,500 members.

With the strike under way, 350 workers and supporters set out on a five-day caravan, camping in vans and tents, to show their friendship with nonstriking Hor-

(Continued on Page 17, Col. 5)

Fiat and Ford Abandon Plan to Merge in Europe

By Axel Krause

International Herald Tribune

PARIS — Fiat SpA and Ford Motor Co. said Tuesday that they had abandoned plans to merge their automaking operations in Western Europe. The companies said it had become clear after months of discussions that a joint car venture was "not viable."

Had the plan succeeded, it would have created Europe's largest automaker, commanding close to a 25-percent share of the market. Fiat, second only to Volkswagen, has a 12.8-percent share of total West European sales while Ford, No. 3, has an 11.7-percent share.

According to company sources, the plan was abandoned because of the two companies' inability to iron out the problems of integrating two diverse management, production and marketing systems.

But the major sticking point, one source said, was Fiat's insistence that it be the senior, or managing, partner of the venture.

"There were financial and fiscal obstacles stemming from the lack of a truly European common market, but the key issue that could not be resolved was who should be in charge," a source close to the negotiations said on the condition that he not be identified.

The source and industry analysts said that Fiat had insisted on leadership and maintaining its "managerial autonomy," but that Ford had insisted recently that it be in charge of the merged company.

Despite rumors in the past week that the proposed venture was foundering, the announcement Tuesday generally came as a surprise. Senior Fiat officials had said several times in recent weeks that they expected to announce some kind of merger agreement before the end of the year.

Umberto Agnelli, chairman of Fiat Auto, had predicted last month that "there is going to be a definite agreement on some kind of a deal between Fiat and Ford Europe," perhaps by the end of the year.

Last Friday, however, a Fiat spokesman in Turin said that the talks had encountered difficulties over failure to agree on a merger formula but that discussions were continuing.

During a meeting in Paris on Sept. 26, which company sources said was a last-ditch effort to find a solution, Ford and Fiat negotiators could not resolve complex legal and financial questions related to integrating Ford and Fiat manufacturing plants in Italy, West Germany, Britain, France and Spain.

They also were unable to resolve how to assign top managerial responsibilities for the proposed company, the sources said.

"Integration was very difficult to achieve, if not impossible," said a Fiat spokesman in Turin. He added that "the two cultures — American and European — proved to be rather different" as the talks progressed, and that the obstacles also involved tax issues related to evaluating Ford and Fiat assets in Western Europe.

A Ford Europe spokesman in London described the problems encountered as "managerial and operational," and said that the failure to merge stemmed primarily from "differences in structure between the U.S. and European organizations."

Some industry analysts said that they were not surprised by the failure of the two companies to merge. "The failure here is a shame, because it did offer a European solution to problems such as economies of scale, without going outside Europe, meaning Japan," said John Lawson, an automobile analyst with DRI Europe, a London-based consulting firm.



Umberto Agnelli

Citing Quake, Mexico Says Economy Is Declining

By Eric N. Berg

New York Times Service

NEW YORK — Mexico has sent an assessment of the worsened economic problems it faces as a result of recent earthquakes to its 650 creditor banks to plead for repayment of \$950 million in loan payments.

The lead banks in the lending consortium agreed last week to postpone the repayments, but their decision is still subject to approval by the hundreds of other banks. In seeking their concurrence, Mexico's finance minister, Jesus Silva Herzog, prepared a 22-page review of his country's economy and sent it to the lenders last week.

In the report, he said the econo-

my is in much worse shape than Mexican officials believed three months ago. Net borrowing by the public sector, he said, will decline by \$500 million this year — rather than increase by \$600 million, as forecast last summer — because the government has not received the financing from nonbank sources it expected.

The private sector, Mr. Silva said, has also been increasingly deprived of foreign capital, with its net borrowings this year expected to decline by \$2 billion compared with a negligible decline predicted earlier this year. Oil revenues, he added, will drop \$2 billion from earlier projections, to \$12.8 billion, because of sagging volume and prices.

The finance minister also provided the firmest evaluation so far of the earthquakes' economic impact. By the end of the year, he estimated that dollar reserves held by the Banco de Mexico, the country's central bank, will fall by \$700 million because of the quakes — \$300 million lost to reduced tourism, \$300 million for imports of emergency telephone and hospital equipment and \$100 million for exporters' rebuilding of factories.

His document indicated that Mexico still believes it will need to borrow \$2.5 billion from commercial banks next year — the same amount it has been saying all year. On the other hand, total borrowings by the government from all

sources, originally forecast at \$3.1 billion, are now expected to be \$4 billion. The government expects private Mexican companies to remain largely excluded from international credit markets, so it plans to borrow on their behalf.

Whether Mr. Silva's message proves effective in winning bank sympathy remains to be seen. One New York banker involved with Mexico who read the telexed report commented: "It paints a picture which is not as bright as we had hoped for. But it is not a disaster."

Also it must be determined whether Mexican estimates of the need for new loans next year are close to accurate. Many analysts are skeptical.

Poland, Soviet Sign New 5-Year Economic Pact

Washington Post Service

WARSAW — Poland and the Soviet Union have signed a five-year economic agreement calling for more dependence by Poland on Soviet trade and investments as it seeks to revitalize its ailing economy.

Under the protocol, concluded Monday after several months of talks, Moscow's share of total Polish trade is due to rise to 40 percent by 1990 from the current level of 37 percent. Poland is to expand imports of Soviet machinery in place of Western products and Polish companies are to participate in new joint production programs with Soviet enterprises.

The agreement, part of a regular process of coordination of five-year economic plans among East Bloc countries, reflected Poland's relatively moderate response to increasing Soviet pressures on its allies to expand economic ties at the expense of contacts with the West, economic analysts here said.

The Polish-Soviet agreement appears to allow the government of General Wojciech Jaruzelski some flexibility in meeting the Soviet terms at a time when it is also under pressure to repay large debts to Western creditors.

U.S. Study Sees Japanese R&D Lead

By Michael Schrage

Washington Post Service

WASHINGTON — Japan's electronics industry has attained a significant research and development lead over the United States in what many scientists believe will be the next generation of high speed electronics technology, according to a study commissioned by the Commerce Department.

Japan's lead is emerging in new silicon electronics that can lead to computers, telecommunications switches and signal-processing chips capable of processing data dozens of times faster than current technologies. Most computer circuitry now uses silicon as its basic medium. While silicon is less expensive, it has technical limitations that these non-silicon media can surpass.

The recently released Commerce Department study — Japanese Technology Evaluation Program Report on Opto- & Microelectronics — maintains that Japan has been "aggressive in acquiring, improving and implementing these technologies, whose conceptual aspects were developed in the U.S."

Moreover, the report adds, "in optoelectronics in particular, the Japanese have made major, original contributions and, while their adaptive ingenuity can be expected to continue to produce market-oriented products, their original creative contributions to this field are expected to increase steadily in the future."

According to Harry H. Wieder, a University of California electrical engineering professor who co-chaired the Commerce Department's JTECH research panel, this assessment is one of the first to conclude that Japan's electronics industry has research and develop-

ment capabilities equal to, or slightly better than, their U.S. counterparts.

Traditionally, the United States is seen as superior in basic research and development, while the Japanese are regarded as superior when it comes to commercializing new technologies.

"It's a glo

[illegible]

	High	Low	Close	Ch'ge
221.61	220.37	220.70	-0.90	

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

[illegible]

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1/2

10-
11-
12-
13-
14-
15-



— 36 —

1. 凡在本行开立存款账户的客户，均可向本行申请开立支票。
 2. 支票的有效期为自签发之日起六个月内。
 3. 支票的金额不得超过账户余额。
 4. 支票的签发人必须为账户持有人。
 5. 支票的收款人必须为本行客户。
 6. 支票的签发人必须对支票的金额负责。
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(Continued on Page 13)

DEC	70-14	70-27	70-14	70-14
MAR	69-22	70	69-22	69-22
JUN				69-22
SEP	68-14	68-18	68-14	68-14

23-04	Dec				
67	Mar				
66-27	Jun				
Prev Sales 25,227 Open Int 17,305 Wc 2,990					
(CBT)					
Prin-pis & 2nds of 100 pct					
23-20	Mar	75-71	76-72	76-71	76-71
23-20	Mar	75-71	76-72	75-71	75-71
23-20	Mar	74-74	74-71	74-71	74-71
65	Jun	75-73	75-73	75-71	75-71
Prev Sales 74 Open Int 4,014 Wc 17					
DEPOSIT (MAMA)					
On-pnts of 100 BCT					
85-34	Mar	91-99	92-01	91-97	91-97
85-34	Mar	91-91	91-91	91-98	91-98
86-43	Jun	91-22	91-21	91-21	91-21
86-56	Mar				
86-34	Dec				
86-20	Jun				
Prev Sales 27 Open Int 1,526 Off 5					
DOLLARS (MAMA)					
On-pnts of 100 pct.					
86-80	Dec	91-65	91-69	91-62	91-62
86-80	Dec	91-69	91-69	91-74	91-74

86.73	Jun	90.90	90.92	90.86
87.08	Sep	90.53	90.55	90.50
87.28	Dec	90.21	90.22	90.17
87.64	Mar	89.87	89.87	89.86
88.84	Jun	89.55	89.64	89.55
89.29	Sep	89.29	89.29	89.29

Prev. Sales 29,963
Open Int. 125,484 up 69

5H POUND (IMM)
Round-1 point equals \$0.0001

1.0220	Dec	1.0454	1.0085	1.0120
1.0680	Mar	1.3985	1.3970	1.3940
1.1905	Jun	1.2868	1.2860	1.2860

667	Prev. Sales	1,051		
May Open Int. 4,937 up 88				
SWISS FRANC (1000F)				
1 point equals \$0.00081				
0562	Dec	12260	12260	12260

Month	1993	1992	1991	1990	1989
Jan	1,093	1,210	1,210	1,210	1,210
Feb	1,093	1,210	1,210	1,210	1,210
Mar	1,093	1,210	1,210	1,210	1,210
Apr	1,093	1,210	1,210	1,210	1,210
May	1,093	1,210	1,210	1,210	1,210
Jun	1,093	1,210	1,210	1,210	1,210
Jul	1,093	1,210	1,210	1,210	1,210
Aug	1,093	1,210	1,210	1,210	1,210
Sep	1,093	1,210	1,210	1,210	1,210
Oct	1,093	1,210	1,210	1,210	1,210
Nov	1,093	1,210	1,210	1,210	1,210
Dec	1,093	1,210	1,210	1,210	1,210
1993	12,103	12,103	12,103	12,103	12,103
1992	12,103	12,103	12,103	12,103	12,103
1991	12,103	12,103	12,103	12,103	12,103
1990	12,103	12,103	12,103	12,103	12,103
1989	12,103	12,103	12,103	12,103	12,103

19881	Dec	8464	804661	804664	804666
803985	Dec	8464	804661	804664	804666
804035	Mar	84672	804673	804676	804678
804220	Jun	84675	804678	804681	804684
804745	5ep				
804758	Dec				
8258	Prev. Sales	13,067			
Day Open Int.		34,387	off 714		
FRANC (1000)					
Franc 1 point equals 50,000					
8531	Dec	A630	A657	A630	A631
8535	Mar	A674	A698	A671	A674
8590	Jun	A740	A740	A725	A725
19,820	Prev. Sales	21,081			

ER (CME)		1,000 bbl. ft.		1,000 bbl. ft.		1,000 bbl. ft.	
Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
126.50	135.10	136.90	134.90	134.90	134.90	134.90	134.90
133.60	140.10	141.80	140.00	140.00	140.00	140.00	140.00
139.70	146.70	147.50	146.40	146.40	146.40	146.40	146.40
145.20	150.40	152.00	150.40	150.40	150.40	150.40	150.40
149.50	154.50	154.50	154.50	154.50	154.50	154.50	154.50
152.90	158.00	158.00	157.40	157.40	157.40	157.40	157.40

156.50	Nov				
1774	Prev. Sales	1,298			
Pay Open Int.	7249	off 13			
IN 1 (NYC)					
bs-cents per lb.					
57.40	Oct	60.75	61.25	60.70	61.25
57.51	Dec	59.50	59.85	59.45	59.85
58.77	Mar	60.15	60.45	60.17	60.45
58.90	May	60.45	60.68	60.45	60.68
58.60	Jul	57.28	57.40	57.28	57.40
53.55	Oct				
52.55	Dec	52.80	52.90	52.72	52.80
53.25	Mar				

NOV OIL (NYME)				
Oil prices per barrel				
68.50	Nov.	83.90	83.90	83.35
69.15	Dec.	83.30	83.75	83.16
69.80	Jan.	82.80	82.20	82.65
70.00	Feb.	81.25	81.50	81.20
68.90	Mar.	77.50	77.75	77.40
68.00	Apr.	74.00	74.30	73.80
68.00	May	72.30	72.30	72.20
Prev. Sales: \$281				
Day Open Int. 21,412 up 404				

OIL (NYME)				
dollars per bbl.				
24.40	Nov	29.25	79.32	29.16
23.90	Dec	28.60	28.72	28.43
24.36	Jan	27.94	28.77	27.82
24.25	Feb	27.42	27.52	27.31
24.13	Mar	26.93	27.04	26.88
23.92	Apr	26.45	26.60	26.40
23.65	May	26.14	26.25	26.05
23.78	Jun	25.93	25.93	25.75
24.45	Jul	25.68	25.68	25.46
24.95	Aug	25.40	25.40	25.25
24.80	Sep	25.25	25.25	25.10

	24.50	Dec 24.93	24.95	24.95	24.95
Prov. Sales	14,256				
ay Cops Int.	66,681	up 1,117			

Stock Indexes

DOW INDEX (CME)					
and cents					
	175.70	Dec 183.60	183.65	182.20	182.20
	182.30	Mar 184.70	185.05	183.75	184.70

182.90	Jan	185.85	185.85	185.40	185.40
187.00	Feb	187.40	187.40	187.40	188.00
69,723	Prev. Sales	63,200			
ny Open Int.	58,288	up 1,757			
LINE (KCST)					
188.30	Dec	190.10	190.55	188.65	189.00
191.10	Mar	192.00	192.00	190.50	191.00
	Prev. Sales	4,715			
ny Open Int.	7,596	off 199			
COMP. INDEX (NYFE)					
101.20	Dec	105.90	106.20	105.25	105.25

	105.50	Mar	106.90	107.15	106.30	106.30
	104.90	Jun	107.90	107.90	107.55	107.55
	108.10	Sep	108.90	108.90	108.90	108.90
	105.78	Prev. Series	105.65			
	Open In L	8/23	up 240			

Commodity Indexes	
	Close
	898.90 1

ures	1,701.60
Research Bureau	117.25
rs : base 100 : Dec. 31, 1931.	224.90
liminary : f - final	
rs : base 100 : Sep. 18, 1931.	
ones : base 100 : Dec. 31, 1974.	

Listed)		Oct. 8, 1985	
Based on issue price.			
(r) - regularly; (i) - irregularly.			
4.37	(d)	D. Wither Old Wide Inv Tst.	
7.01	(d)	Draknor Invest. Fund N.V.	
7.91	(d)	Dreyfus Amer. Bond Fund	
11.23	(d)	Dreyfus Fund Int'l	
	(w)	Dreyfus Intercontinent	
	(w)	The Establishment Trust	
11.05	(d)	Europe Obligations	
1.21	(w)	First Bond Fund	

1.09	r	Fifty Stars Ltd.	
2.76	w	Fixed Income Trans.	
0.94	w	Fonseca Issue Pr.	SI
0.88	w	Forefund	
0.62	w	Formula Selection Fd.	SI
0.12	d	Fonditalia	
	d	Governm. Sec. Funds	
7.30	d	Frank's Trust Internat.	DA
	w	Hausmann Hldgs. N.V.	
	w	Hestia Funds	
7.34	w	Horizon Fund	
2.61	m	IBEX Holdings Ltd.	SI
0.60	r	ILA-GB	\$
	r	ILA-GS	\$

(d)	Interfund SA	
(w)	Intermarket Fund	
(d)	Intermining Mut. Fd. CLB*	\$
(r)	Int'l Securities Fund	
(d)	Investo DWS	DA
(r)	Invest Africamex	
(r)	Investor's Int'l Fund SA	
(w)	Japan Selection Fund	
(w)	Japan Pacific Fund	\$
(m)	Jeffers Pkts. Intl. Ltd.	\$
(d)	Kleinwort Benson Int'l Fd.	\$
(d)	Kleinwort Bank, Jap. Fd.	
(w)	Korea Growth Trust	KW

1.35	(d)	Leicomm Fund	
1.35	(d)	Leverage Cap Hold	
	(d)	Leibson	
	(w)	Luxfund	
1.76	(m)	Magnifund N.V.	
2.28	(d)	Mediolum Scl. Fd.	
	(r)	Mefare	
7.75	(w)	NAAT	
1.14	(d)	Nikko Growth Packag Fd.	
0.18	(w)	Nippon Fund	
7.75	(m)	NOSTEC Portfolio	
7.75	(w)	Novotek Investment Fund	
1.50	(w)	N.A.M.F.	
1.50	(m)	NSE R.F.	

\$9.95	(d)	Pacific Horizon Inv't Fd	
\$8.75	(w)	PANCURRI INC.	
\$8.60	(r)	Parsons Sw. R Est Geneva	SF
\$8.12	(f)	Permal Value N.V.	
\$8.00	(f)	Phelodes	
	(w)	PSCO Fund N.V.	
\$7.50	(w)	PSCO Intl N.V.	
\$7.50	(d)	Pumam Intl Fund	
\$7.00	(f)	Pr-Tech	
\$6.50	(w)	Quantum Fund N.V.	
\$6.50	(d)	Rento Fund	LF
\$6.25	(d)	RentInvest	LF
\$6.25	(d)	Reserve Insured Deposits	

7.10	w	Rudolf Wolff Fnd Fd Ltd	
7.10	w	Samurai Portfolio	\$F
7.45	d	SCI/Tech. SA Luxembourg	
7.40	w	Seven Arrows Fund M.V.	\$ 1850
	State St. Bank Equity Ind. V.		
7.68	w	Strategic Investment Fund	\$
7.68	d	Syntax Ltd. (Class A)	\$
7.75	w	Tachina Growth Fund	\$F
7.98	d	Technic HK & China	
7.97	w	Tokyo Pac. Hold. (Sea)	
7.37	w	Tokyo Pac. Hold. N.Y.	
7.36	d	Transoceanic Fund	
7.36	d	Turequoise Fund	

41	(w)	Teedy Browne n.v. Class A	
42	(w)	Teedy Browne n.v. Class B	
43	(m)	Teedy Browne (U.K.) n.v.	
44	(d)	UNICO Fund	DM
45	(r)	UNI Bond Fund	
46	(r)	UNI Capital Fund	
47	(d)	US Federal Securities	
48	(w)	Vanderbilt Assets	
49	(d)	World Fund S.A.	

France; a - asked; + - Offer Prices; b - bid
Ex-Rts; ~~and~~ - Gross Performance Index J
Amsterdam Stock Exchanges.

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BUSINESS ROUNDUP

Imperial Will Not Join Bid for Allied

Reuters
LONDON — Imperial Group said Tuesday that it had decided not to join Elders Ltd. in a consortium bid for Allied-Lyons.

Imperial said last month that it was considering the possibility of joining Elders' proposed consortium bid for Allied, a London-based beer, wine, spirits and food company.

On Sept. 27, Elders chief executive, John Elliott, said that the Australian conglomerate was talking to a potential consortium partner, including Imperial, a London-based beer, wine, spirits and food company. He declined to identify the others.

Mr. Elliott said then that Elders expected to be in a position to develop a consortium bid for Allied by mid-October 21 or 22. Elders' original offer on Sept. 5 was for at least 67 billion (\$2.35 billion), or 250 pence per Allied share. Allied rejected the offer.

Allied shares closed Tuesday at 3 pence per share on the London stock exchange, down from 286 on Monday.

A spokesman for Imperial would only say that the company had analyzed Allied-Lyons' businesses and decided not to join a bid.

Elders said later that it still hopes to form a consortium by Oct. 17 to bid for Allied.

Imperial's decision "obviously takes our job that little bit harder," said Andrew Cummins, Elders' top director for strategy, adding that Elders still was talking to three companies.

"If we had got a large British company in with us and a fairly fit with our business it would've been to our advantage," Mr. Cummins said.

Derrick Holden-Brown, chairman of Allied, said he was relieved of Imperial's decision. Analysts here have speculated that Imperial was interested in the bid and possibly other parts of Allied-Lyons and that one motive behind the interest was defensive in nature, that the acquisition of Allied-Lyons' food operations would make Imperial less attractive to potential predators.

Dutch Jobless Rate Declines

The Associated Press
THE HAGUE — The Dutch unemployment rate fell again in September, when 752,800 people were jobless.

Frontier Accepts People Express Bid

The Associated Press
DENVER — Frontier Holdings, the parent of Frontier Airlines, said late Tuesday that it had entered into a binding agreement to be acquired by People Express Inc. for \$24 a share, or an indicated \$279.2 million.

It was not immediately clear how the People Express offer would be structured. Further details of the accord would be available later, a Frontier spokeswoman said.

The announcement came only hours after Texas Air Corp., the parent of Continental Airlines and

New York Air, had raised an earlier offer for Frontier to \$22 a share from \$20.

People, based in Newark, New Jersey, has grown on a formula of budget fares and high volume of heavily traveled routes into one of the 10 biggest air carriers in the United States. It earned \$1.65 million in 1984, down 85 percent from the previous year, a decline that the company attributed to the costs of its rapid expansion.

Houston-based Texas Air launched a \$17-a-share offer to buy 60 percent of Frontier's 12.5 million shares of outstanding stock on Sept. 30. Later, Texas Air raised its offer to \$20 and said it would buy all the outstanding shares.

The Texas Air offer was \$3 more per share than what a coalition of Frontier labor unions had offered for control of the Denver-based carrier. Shareholders had been scheduled to vote on the employee buyout offer Oct. 30.

The union coalition filed a federal lawsuit to block Texas Air's attempted buyout, charging that the president of Texas Air, Frank Lorenzo, was making a "blatant attempt" to trim competition in Denver. The case is pending.

Continental is Frontier's chief competitor in Denver.

The employee buyout had been seen as an answer to Frontier's financial woes. Despite millions of dollars in wage and benefit concessions over the past few years, Frontier lost \$31.4 million in 1984. Earlier this year, Frontier sold about half of its fleet of jets to United Airlines and then leased them back.

It took the employees nearly a year to come up with the financing for the proposed buyout.

The company said the accord was subject to ratification by four of Frontier's labor unions.

Earlier Tuesday, People said it would begin \$249 nonstop service between San Francisco and Brussels next month.

The company, the operating subsidiary of People Express Inc., filed an application Monday with the U.S. Department of Transportation to begin the service on Nov. 20 with one round-trip flight a week.

Spanish Union Agrees to Job Losses To Facilitate Volkswagen-SEAT Pact

Reuters
MADRID — Spain's metalworkers' union said Tuesday that it has agreed to a reduction of 4,500 jobs over a four-year period at the Spanish automaker, SEAT, to facilitate a takeover by Volkswagen AG.

Volkswagen is due to acquire a majority stake in SEAT next month from DNI, the state holding company, and to invest \$1.87 billion in the Spanish company.

Antonio Puerta, secretary general of the metalworkers' federation, which represents a majority of SEAT workers, said at a news conference that the Volkswagen accord would upgrade and expand SEAT's production facilities.

A government official close to the negotiations said the takeover talks were entering their final stages and agreement could be reached by late next month.

"The accord calls for the immediate elimination of some 1,000 jobs, with the rest to go by 1990," the official said.

SEAT posted a loss of 36.1 billion pesetas (\$225 million) in 1984 with similar results forecast for the current year. It is the only one of Spain's six car makers not under multinational ownership.

Since the withdrawal of Italy's Fiat from SEAT in 1980, three successive chairmen have sought a multinational partner to inject capital and technology to guarantee the company's future.

COMPANY NOTES

BL PLC said it may introduce its Range Rover line of four-wheel-drive vehicles in the United States next year.

Robert Bosch GmbH denied market rumors that it plans to take a stake in the Frankfurt-based electrical group, AEG Aktiengesellschaft. Bosch termed the speculation "utter nonsense."

Broken Hill Pty. said it wants Bell Group Ltd. and Adelaide Steamship Co. to detail their holdings in the company. Bell Group, which has been acquiring BHP shares, announced an accord with Adstream that gave Bell an option on 10.95 percent of BHP.

Cargill Inc. said it will acquire the remaining 50 percent of Cia. Industrial y de Abastecimientos SA, Spain's leading oilseed extraction group. Cargill said it would fund the acquisition with a 1.9-billion-

peseta (\$11.7 million) capital increase.

General Foods Corp. has begun producing instant coffee in China through a joint-venture company in Tianjin.

Hapag-Lloyd AG, the West German shipping company, said it will end its Pacific container service at year's end.

Hyundai Corp.'s proposal to develop the East Indian port of Paradip is being considered by the government, official sources said. The \$115-million proposal calls for the South Korean concern to pay to deepen and improve the port in exchange for about 6 million tons of iron ore a year over 10 years.

Kenya Airways has ordered two A310-300 wide-bodied jetliners from Airbus Industrie. An Airbus spokeswoman declined to place a value on the order.

Motorola Inc. said it had sold its

South African operations to Allied Technologies, that country's leading electronics and telecommunications company. It declined to elaborate.

Nissan Motor Co. said it is setting up a joint company in Britain to make seats for cars. The venture, with Hoover Universal, will create up to 60 jobs.

Sharp Corp. said it would start making electronic typewriters in Britain next year. A spokesman said no decision has been made on when production will begin or what the monthly output will be.

Voest-Alpine AG said it had won a \$48.3-million order from South Korea's Pohang Iron & Steel Co. for a new unit at the company's Kwangyang works. Voest said it had also won a \$16-million order from Broken Hill Pty. for a rolling mill in Brisbane.

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SPORTS

3 Brazilian Romantics Depart, Souring an Italian Love Affair

LONDON — The marriage between Italy and her imported soccer stars, particularly the Brazilian romantics, has withered to a fragile, expensive, unsavory strand. Only lawyers are benefitting from the remaining contacts affecting Brazil's big three.

Zico fled to Rio rather than face prison for alleged tax evasion on a scale greater than anything he delivered in Udinese's colors.

Falcão, Roma's "divine one," barely two years ago, dared to have an injury, had his crutches kicked away (so that Roma could replace him with Zinedine Zidane) and landed back in São Paulo.

Socrates, the captain and fulcrum of Brazil's national team, swears he never received a decent pass at Fiorentina; he too arranged a quickie divorce and flight home. The fact that three classical Brazilians have returned to Latin America in a World Cup year may be a different story. They leave behind Tominho Cerezo, doing well for Roma when not injured, and Junior, swashbuckling for Torino.

Cerezo is an astute technician, Junior a muscular black charger. Yet for all that, for all the perspective of winger Divo, plugging away with one Italian club after the next, Italy seems a bit short of being soccer's promised land.

It has the World Cup, Juventus has the European championship. But where one year ago Italy's first division boasted virtually the entire Brazilian national team, it has now proven incompatible with the most attractive of the imports. When all is said and done, Italians seem best suited to barrenness, to waiting impatiently for the next corruption scandal. And that scandal is just around the corner, courtesy of Juventus's libel suit against film director Franco Zeffirelli.

Zeffirelli, a besotted soccer fanatic, has perpetually accused Juve of corrupting and manipulating the Italian game. The Agnelli family, the team's owners, has had enough: As of Oct. 18 in Milan, the club vs. the film director goes to court.

Zeffirelli is too busy filming to appear, but in the Italian way the

show will doubtless run and run until everyone tires of it, and will then be fudged.

But back to soccer players, or perhaps soccer pretenders, as Italy has begun to think of the billion-dollar Brazilian imports.

Zico never settled sufficiently in Udinese to fulfill the white Pelé tag. Between pulled muscles and aching joints, he was perhaps too preoccupied watching his cash flow. Now he saw it, now he didn't.

Udinese had allegedly put together his \$4 million transfer fee with the aid of Zanussi, although Udinese forever denies contravening regulations against foreign backing of Italian soccer deals.

Zico, 32, skipped the country last spring, just before an Italian court sentenced him to eight months in jail and fined him nearly a million dollars for allegedly transferring 2,200 million lire (more than \$10 million) out of Italy via London.

Denials and more denials, but Flamengo was happy to have him back. Sixty thousand fans turned out for his homecoming.

Roberto Falcão, meanwhile, was shuttling between Brazil and Italy. He had not for a year been the Falcão who inspired Roma to its first championship in 42 years. He was carrying a knee injury and was endlessly having to account for long convalescences back in Brazil,

endlessly having to deny rumors of indulgent nightlife.

Roma wanted Boniek, from Juventus, to replace Falcão. Roma could not play three foreigners but signed Boniek (for a million bucks) and then concocted a case, which the Italian federation swallowed, to sack Falcão for failing to attend a medical specialist. Falcão skulked back to Brazil, joined São Paulo on a one-year, \$500,000 contract; reportedly, the knee is holding up.

Socrates, meanwhile, had the messiest Italian marriage of the three. His skills, the equal in their way to Michel Platini's, never flourished in Florence.

He says players there resented the publicity attracted by his medical and political activities, and refused to pass the ball to him. Not even Dr. Socrates could operate without the ball.

Nor can he shine without two good legs, and no sooner had his return to Brazil been arranged than an ankle snapped. He now has too much time for those extracurricular interests the Italians thought unfit for a soccer player.

If nothing else he became a convenient excuse for Fiorentina's failings. "How can anyone build a team here?" demanded the outrageous Italo Alfidi during his brief tenure as general manager at Fiorentina.

"There is a boy like Eraldo Pecci, who gives up basic food such as spaghetti to control his weight, yet every time you see a picture of this Brazilian [Socrates] he is smoking a cigarette or holding a beer can."

Poor Alfidi, poor missed Pecci. How indeed can youth be kept straight and narrow with such foreign waywardness around?

Alfidi isn't to know that we know Socrates as a catalyst of the renaissance of Brazilian touchplay. Nor can he suspect we have books



Roberto Falcão, 'the divine one,' embraced by fans after he helped Roma win its first Italian championship in 42 years.

that reveal the "boy," Pecci, to be a 30-year-old veteran of 11 seasons in Bologna, Torino and Florence.

Still, they do develop late in Italy. The top buy this summer (while clubs wonder how to spend their fans' cash) until imports are allowed once again) was Sampdoria's \$5 million investment in Gianfranco Mattioli. Again no chicken, Mattioli is 26 and has been around quite some time. Small and slight, he produced one storming season for Como. Sampdoria, ambitious to

make its season in Europe count, dug deep indeed.

Who needs foreigners when they come so late, so expensive at home? Italy, on the other hand, cannot be overburdened with flair, to judge from Sunday's results. Six of the eight top games were drawn (just 12 goals were scored), including Avellino's 2-2 thriller against Udinese.

Hurry, Franco Zeffirelli, hurry. Italy badly needs your drama.

Playoffs, Series the Final Rides On Baseball '85 Roller Coaster

By Thomas Boswell
Washington Post Service

WASHINGTON — If 1984 was the baseball season when nothing memorable happened, then 1985 will be remembered as the year when everything, both wonderful and lousy, transpired at once.

If the meatiest chunk of the season, the playoffs and World Series, lives up to its prologue, the next three weeks should be baseball nirvana.

How fitting that the regular season should end with Phil Niekro not only winning his 300th game but, at 46, becoming the oldest man in history to pitch a shutout. If Tom Seaver could win his 300th game on the same day that Rod Carew got his 3,000th hit, why shouldn't Niekro tie a ribbon around the whole old-folks celebration on the final day?

Above all, this season will be remembered as the year when 44-year-old Pete Rose finally passed by Cobb in career hits. That accomplishment will endure, but it is probable that the season's most overblown stories will prove to be The Strike and The Scandal.

After six months of fretting, baseball's big strike lasted one day. Both sides raced back to the bargaining table to see which could say "I surrender" the fastest. And in time, baseball's Pittsburgh Seven cocaine trial may seem a far smaller topic than it does at present. Both professional football and basketball have been through similar drug scares in the '80s, and neither suffered significantly.

Perhaps it's just baseball's traditional knack for dumb luck in the clutch, but this has been a season that would take almost any fan's mind off courtroom transcripts.

Never have three division races been undecided on the final Saturday of the season.

Seldom has baseball had more amazing individual performances in one season than it had this year.

Dwight Gooden's 24-4 record may play second fiddle to his 1.53 earned-run average, the second-lowest figure since 1920.

Wade Boggs finished with 240 hits, a .368 average and a growing reputation as the greatest pure hitter since Ted Williams.

With 145 runs batted in, Don Mattingly has emerged as a Yankee of mythical pin-stripe potential.

George Brett of the Kansas City Royals received an all-time record number of intentional walks, yet still finished with 112 RBIs. He had the league's second-worst offense around him and hit 30 homers in a huge stadium.

The game dazzled us with youngsters such as Vince Coleman, who stole 110 bases; Tom Browning, the first rookie to win 20 games in more than 30 years; and Bret Saberhagen, 21, who has established himself as one of the top pitchers in the American League.

We scratched our heads in amazement as Darrell Evans, 38, became the oldest home run champion ever, as well as the first man to hit 40 homers in both leagues. And did Carlton Fisk really hit 37 homers at the age of 37?

Who would have imagined a 20-1 streak for a journeyman pitcher such as John Tudor or a 19-3 record for someone named Orel Hershiser?

And now the sport's showcase days begin.

Those who longed for a subway Series with Yankees and Mets, or a freeway Series with Dodgers and Angels may be in mourning. But no one else should be.

Any statistical analysis comes to the clear conclusion that the St. Louis Cardinals and the Toronto Blue Jays were, top to bottom, the game's strongest teams. Both led their leagues in victories — with 101 and 99 — and, almost as important, outscored their opposition by the widest margins.

Each of these genuinely excellent teams is pitted against a flawed foe that is, ironically, perfectly suited to create an upset.

The Blue Jays and Cardinals appear to be ideal World Series opponents. Both have squared the compass of the game's four basic

strengths — pitching, hitting, defense and speed.

On the other hand, the Kansas City Royals can't hit a lick and the Los Angeles Dodgers finished near the middle of the offensive pack in the weak-hitting National League.

Neither team is noted for better-than-average defense.

But before you waste a week's pay, look at how these teams fared against each other this year: The Dodgers and Royals each won the season series, 7-5.

The easier pick is the American League. True, the Royals have two superb starters in Charlie Leibrandt and Saberhagen (Leibrandt, 17-9, was to oppose Dave Stieb, 14-13, in Tuesday night's opener). Dan Quisenberry is the reliever of the '80s and Brett is an inspiration to mankind. Meanwhile, the Blue Jays' biggest name pitcher, Dave Stieb, has a habit of blowing his cool in big games.

Despite all that, the Blue Jays are simply a better team. With the playoffs expanded to seven games, the stronger total team will win: Toronto in six.

The National League is messier. The Cards are a seriously underrated team. And their three main starters, Tudor, Joaquin Andujar and Danny Cox — have 60 vic-

tories. But Andujar has been a weak link lately. And how much pressure can Tudor stand? Also, does anybody, including Whitey Herzog, have confidence in his makeshift who-are-they bullpen?

By contrast, the Dodgers open with Fernando Valenzuela (17-10) Wednesday against Tudor; Valenzuela, who seems inspired by great occasions, will be followed by Hershiser and Bob Welch. All three have ERA's under 2.50. Put both Rick Honeycutt and Jerry Reuss in an already adequate bullpen, and you wonder how St. Louis will score. The plethora of Dodger left-handers also puts a crimp in the Cardinal running game.

Los Angeles has the home-field advantage and the pitching matchups. But the Cardinals have a cohesive, interlocking team that plays together as a unit better than any in the game.

Pitching beats good hitting in the playoffs — if it's power hitting. That's why the Cards will hold down the Dodgers. St. Louis can score with its speed. Take the Cardinals in seven games.

No, no subway or freeway or even Missouri World Series. This one will be for the birds — the Redbirds and Bluebirds.



On the Team

Lynette Woodard was selected on Monday to become the first woman ever to play for the Harlem Globetrotters, the touring exhibition basketball team that will open its 60th season Oct. 17 in Brisbane, Australia. A 5-foot-11 (1.80-meter) guard, Woodard scored an NCAA women's record 3,649 points during her career at the University of Kansas. Woodard also captained the gold medal-winning U.S. squad at the 1984 Olympics in Los Angeles.

SPORTS BRIEFS

Olympic Panel Urges Bans for Doping

LAUSANNE, Switzerland (AP) — A special panel of the International Olympic Committee, noting an "increasing incidence of doping," called Tuesday for measures to cope with the problem, including lifetime Olympic bans for violators.

The IOC Athletes Commission said doping remains a "significant problem that threatens the Olympic Movement." In addition to banning all "intentional" violators, it suggested that world and Olympic records be recognized only in conjunction with doping control.

Programs for athletes, coaches and officials on the dangers of banned drugs and the inclusion of anti-doping clauses in sponsorship contracts were among other measures proposed.

Trevino, 46, Is Quitting Pro Golf Tour

WASHINGTON (WP) — Lee Trevino, whose humor and outstanding play made him one of the stars of the PGA tour, on Monday announced his retirement from regular play as a professional golfer. "I'm officially retired," Trevino said at the El Paso Golf Hall of Fame. "I will not play actively on the PGA Tour again. But I will play in two or three tournaments."

Trevino, 46, began his career as a caddy in Dallas and turned pro while working at the Horizon City golf course east of El Paso. He won six major titles — the PGA Championship, the U.S. Open and British Open twice each. On Monday he called his 1984 PGA title his "last hurrah."

"Basically, I'm waiting four more years until I turn 50 so I can become eligible for the senior tour," said Trevino, adding he's looking forward to "beating all those guys I used to beat 20 years ago."

Baseball Managers Tanner, Lillis Axed

WASHINGTON (WP) — The Pittsburgh Pirates on Monday fired Manager Chuck Tanner, who has been with the National League baseball club for nine years, as part of a shakeup that will put a local government-private partnership in control of the team.

And Bob Lillis, who guided the Houston Astros to a winning record in three full seasons as manager but never to the playoffs, was fired and offered a top-level job in the organization, General Manager Dick Wagner announced.

The Dan Galbreath family recently agreed to sell the Pirates for \$22 million plus the assumption of about \$7 million in player contract obligations. The new ownership, Tanner said, "didn't want me and I didn't want them. It was a mutual decision." He added that he plans to manage next year. "I'll be somewhere and it's going to be good," Tanner said. "I want to win more world championships."

For the Record

Jean-Marie Balestre of France, president of the International Auto Sports Federation, was elected president of the International Automobile Federation, auto racing's governing body, Tuesday in Paris. (AP)

Men's Commissioner, winner of the 1985 triple crown for fillies, has been re-elected because of an ankle injury, owner Peter Fuller announced in Boston on Monday. The 3-year-old won 11 of 16 lifetime starts, earning more than \$900,000. (AP)

Major-league baseball attendance in 1985 was a record 46,838,819 million, according to figures released Monday by the commissioner's office in New York. The 26 teams drew about 1.3 million more than 1983's previous high and were more than 2 million ahead of last year's total. (AP)

Quotable

• Injured Cleveland quarterback Gary Danielson, after watching rookie Bernie Kosar lead the Browns to victory over New England: "How long do I think I'll be out? Either one week or 15 years. I don't know." (LAT)

• Ron Zell Brewer, a fifth-year senior and one of seven players kicked off the Texas Christian University football team for taking payments from boosters: "I was getting so much money that I thought the college level was pretty good. I felt I might like to stay an extra year." (AP)

SCOREBOARD

Football

Selected U.S. College Conference Standings

BIG TEN	CONFERENCE	ALL GAMES	W	L	T	Pts	Opp
Minnesota	100	23	4	0	0	107	10
Illinois	100	23	4	0	0	107	10
Indiana	100	23	4	0	0	107	10
Michigan	100	23	4	0	0	107	10
Ohio St.	100	23	4	0	0	107	10
Purdue	100	23	4	0	0	107	10
Northwestern	100	23	4	0	0	107	10
Wisconsin	100	23	4	0	0	107	10

NFL Standings

Arizona	2	0	0	23	4	0	0	99	54
Oregon	2	1	0	100	86	2	3	0	117 576
South. Cal	1	1	0	63	26	2	2	0	96 54
UCLA	1	1	0	54	36	3	1	1	141 104
Ariz. St.	1	1	0	41	40	2	2	0	71 53
Oregon St.	1	1	0	93	83	2	3	0	94 167
West. St.	1	2	0	66	73	1	4	0	125 145
Stanford	0	1	0	28	45	1	3	0	125 131
California	0	3	0	56	64	2	3	0	143 179

THE TOP COLLEGE FOOTBALL ROSTERS ON SEP-11

1. low

2. Okla

3. Minn

4. Sinc

SOUTHEASTERN

1. low

2. Okla

3. Minn

4. Sinc

College Top 20s

Florida	2 0 0	5 6	2 2	3 0	1 1 9	7 3	8. Penn
Tennessee	1 0 0	3 8	2 0	2 0	1 9	7 5	9. Neb
Auburn	1 1 0	4 1	3 8	3 1	0	1 2 9	10. Alab
Miss. St.	0 1 0	2 2	3 4	4 0	1 3 8	1 0 1	11. Brigs
Vanderbilt	0 1 0	2 0	4 0	2 3	8	1 4 1 9	12. Abil
Georgia	0 1 0	1 6	2 0	3 1	0	8 6	13. Air
LSU	0 1 0	0	2 0	3 1	0	4 0	14. Ten
Mississppi	0 1 0	0	4 1	2 2	1	8 1 0 8	15. Ohio
Kentucky	0 0 0	0	0	3 1	0	9 5	16. So.
SOUTHWEST							17. Tex

ATLANTIC COAST

SMU	1 00	56	21	2 10	97	72
Texas	1 00	44	16	3 00	103	67
Arkansas	1 00	61	0	4 00	134	32
Texas A&M	1 00	28	27	3 10	114	77
Houston	0 10	21	24	1 30	106	111
Rice	0 10	16	44	1 30	62	179
Texas Tech	0 20	27	59	3 20	108	114
TCU	0 20	21	97	2 00	75	132

ATLANTIC COAST

1. Iowa
2. Oklahoma
3. Michigan
4. Florida
5. Ole Miss

MIDWEST

Mar. York	1 1 0	31	4 5	3 1 0	84 45	10. Bris
Ge. Tech	1 1 0	86 45	3 1 0	84 45	11. Ausb	
N. Caro. St.	1 2 0	55 76	3 1 0	89 151	12. Ala	
Wk. Forest	0 1 0	17 20	3 2 0	139 95	13. Tenn	
Duke	0 1 0	14 37	3 2 0	104 87	14. UCL	
Clemson	0 1 0	3 14	1 3 0	43 77	15. Ohio	
N. Carolina	0 1 0	0 31	2 2 0	85 80	16. Geo	
BIG EIGHT						
Conference All Games						
W L T Pts OP W L T Pts OP						
78. Sovi						

SOUTHEAST

Kansas	0 0 0	0 0	4 1 0	176	97	ference
Missouri	0 0 0	0 0	6 4 0	89	723	national
Nebraska	0 0 0	0 0	3 1 0	166	49	Current
Okl.St.	0 0 0	0 0	4 0 0	131	49	srs. Net

SOUTHWEST

CONFERENCE	ALL GAMES	W	L	T	Pts	Opp	
AFC	100	23	4	0	0	107	10
NFC	100	23	4	0	0	107	10

PACIFIC

MOUNTAIN

SUNBELT

RIGHT FROM THE START: St. Louis' defense came out with a runback on the opening kickoff, and the Cardinals held up St. Louis all game long as the Red Sox League trouncing Monday night. St. Louis' first possession: quarterback Neil Lomax.

Tennis

Davis Cup

WORLD GROUP REPLAYS	W	L	T	Pts	Opp
U.S. vs. Argentina	1	0	0	1	0
U.S. vs. Argentina	1	0	0	1	0

Baseball

Playoff Comparison

Record				Pts		Opp	
Los Angeles (14)	4-0-0	1,137	7			Cleveland	
San Francisco (7)	3-0-0	1,106	2			Pittsburgh	
San Diego State (3)	4-0-0	1,037	7			Cincinnati	
San Jose State (1)	4-0-0	993	4				
San Jose	4-0-0	896	6				
San Jose	3-0-1	779	11				

World Cup Soccer

OCEANIA GROUP	W	L	T	Pts	Opp
U.S. vs. Argentina	1	0	0	1	0
U.S. vs. Argentina	1	0	0	1	0

Transition

BASEBALL	W	L	T	Pts	Opp
U.S. vs. Argentina	1	0	0	1	0
U.S. vs. Argentina	1	0	0	1	0

Basketball

NBA PRESEASON	W	L	T	Pts	Opp
U.S. vs. Argentina	1	0	0	1	0
U.S. vs. Argentina	1	0	0	1	0

Golf

PGA LEADERS	W	L	T	Pts	Opp
U.S. vs. Argentina	1	0	0	1	0
U.S. vs. Argentina	1	0	0	1	0

Earnings

1. Curtis Strange	562,221
2. Ray Floyd	378,989
3. Larry Mize	271,212
4. Calvin Peete	265,529
5. Hal Sutton	262,544
6. Corey Pavin	261,840
7. Roger Maltbie	252,774
8. Mark O'Meara	238,340
9. John Mahoney	208,260
10. Craig Stadler	203,826

Scoring

1. Corey Pavin and Ray Floyd, 70.5	70.5
2. Larry Mize, 70.5	70.5
3. Calvin Peete, 70.5	70.5
4. Hal Sutton, 70.5	70.5
5. Mark O'Meara, 70.5	70.5
6. John Mahoney, 70.5	70.5
7. Roger Maltbie, 70.5	70.5
8. Ray Floyd, 70.5	70.5
9. Craig Stadler, 70.5	70.5
10. Curtis Strange, 70.5	70.5

Average Driving Distance

1. Andy Bean, 278.2	278.2
2. Fred Couples, 277.2	277.2
3. Greg Norman, 276.4	276.4
4. Mark O'Meara, 275.4	275.4
5. John Mahoney, 274.4	274.4
6. Greg Norman, 274.4	274.4
7. John Mahoney, 274.4	274.4
8. Greg Norman, 274.4	274.4
9. John Mahoney, 274.4	274.4

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